

TM Hearthstone ICVC

Interim Report & Accounts
(unaudited) for the period ended 31st December 2022



THESIS UNIT TRUST MANAGEMENT LIMITED

Authorised and regulated by the Financial Conduct Authority

TM Hearthstone ICVC

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* These collectively comprise the Authorised Corporate Director's Report.

TM Hearthstone ICVC

Management and Professional Service Providers' Details

Authorised Corporate Director:

Thesis Unit Trust Management Limited
Exchange Building
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
St John's Street
Chichester
West Sussex PO19 1UP

*Authorised and regulated by
the Financial Conduct Authority*

Property Investment Adviser:

Hearthstone Asset Management Limited
29 Throgmorton Street
London EC2N 2AT

*An appointed representative of
Thesis Asset Management Limited*

Administrator, Registrar and Fund Accountant:

Northern Trust Global Services SE, UK Branch
50 Bank Street
Canary Wharf
London E14 5NT

*Authorised and regulated by
the Financial Conduct Authority*

Dealing Office:

Thesis Unit Trust Management Limited
Sunderland SR43 4AZ
Tel: 0333 300 0375
Fax: 020 7982 3924

*Authorised and regulated by
the Financial Conduct Authority*

Auditor:

Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

Directors of ACD:

S. R. Mugford - Finance Director
D. W. Tyerman - Chief Executive Officer
S. E. Noone - Client Service Director
D. K. Mytnik - Non-Executive Director
V. R. Smith - Non-Executive Director
G. Stewart – 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 Authorised Corporate Director.

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 TM Hearthstone ICVC (the "Company"). They and C. J. Willson and G. Stewart are not engaged in other business activities that are of significance to the Company.

Depository:

NatWest Trustee and Depository Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh EH12 1HQ

*Authorised and regulated by
the Financial Conduct Authority*

Standing Independent Valuer:

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

Property Manager:

Connells Limited
The Bailey
Skipton
North Yorkshire BD23 1DN

TM Hearthstone ICVC

Report of the Authorised Corporate Director (“ACD”)

(unaudited) for the period ended 31st December 2022

Thesis Unit Trust Management Limited (the “ACD”) is pleased to present the ACD’s Interim Report and Accounts for TM Hearthstone ICVC (the “Company”) for the period ended 31st December 2022.

This Company is an umbrella fund with only one sub-fund, namely TM home investor 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 690 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 sub-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 e.surv House Price Index (previously known as LSL Acadata) 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 e.surv (previously known as LSL Acadata) 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, mix-adjusted 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.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

TM Hearthstone ICVC

Report of the Authorised Corporate Director (“ACD”)

(unaudited) for the period ended 31st December 2022 (continued)

Other information

The Company may not invest more than 10% in value of its scheme property in units in other collective investment schemes.

The Company is a FIIA. For an explanation of the risks associated with the Company investing in inherently illiquid assets and how those may crystallise, please refer to the Prospectus. For a description of the tools and arrangements, the ACD would propose using to mitigate these risks, an explanation of the circumstances in which those tools and arrangements would typically be deployed and the likely consequences for investors, please refer to the Prospectus.

Important Information

Class X Accumulation share class became inactive on 2nd August 2022.

From time to time, major macroeconomic events occur and cause significant short-term volatility to capital markets. Russia’s military action is an example of such an event. We are monitoring the situation very closely and will continue to manage our funds in line with their respective objectives.

In accordance with COLL 8.4.11 [2] [c] [ii] of the Collective Investment Schemes Sourcebook (Release 21, dated November 2017), as published by the Financial Conduct Authority, we can confirm that the ‘immovables’ would, if acquired by the scheme, be capable of being disposed of reasonably expeditiously at the values reported. We have assumed ‘reasonably expeditiously’ to represent a normal marketing period appropriate for the Properties.

We would however draw your attention to the fact that the Material Valuation Uncertainty clause has been attached in respect of the Spectrum Apartments for reasons which are explained in further detail below. The Standing Independent Valuer (SIV) attached a Material Valuation Uncertainty clause to the Spectrum Apartments 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.

Market Valuation Uncertainty (Spectrum Apartments, Blackfriars Road, Manchester, M3)

In view of the fact that the information presently available concerning the building safety defects for Spectrum Apartments specifically- the remediation budget costs, impact on service charge and saleability- is limited, we would draw your attention to the fact that less certainty can be attached to the valuation of the 17 long leasehold units within Spectrum Apartments, than would otherwise be the case.

The valuation of these units is therefore reported as being subject to ‘Material Valuation Uncertainty’, as set out in VPS 3 and VPGA 10 of the RICS Valuation Global Standards. Consequently, less certainty- and a higher degree of caution- should be attached to the valuation of these units than would normally be the case.

For the avoidance of doubt, the ‘Material Valuation Uncertainty’ declaration does not mean that the valuation cannot be relied upon, rather, it has been included to ensure transparency of the assumptions made in preparing this valuation.

In view of the documentation provided in relation to the Spectrum Apartments, and the uncertainty around the estimation of any remedial work and the timings of such work, the impact of the waking watch in terms of management costs and any subsequent impact on the service charge and the uncertainty as to impact upon saleability, the above clause has been attached to valuation.

Please refer to ‘Important Information’ above for more details. There is no material impact or material changes to rental income.

In view of limited market information, such as proceeds achieved from sales of similar properties with fire safety defects in the area, the SIV have made recourse to a ‘Material Valuation Uncertainty’, as set out in VPS 3 and VPGA 10 of the RICS Valuation Global Standards. Therefore, the valuation of the properties has been prepared in accordance with the RICS Valuation Global Standards and COLL.

TM Hearthstone ICVC

Report of the Authorised Corporate Director (“ACD”)

(unaudited) for the period ended 31st December 2022 (continued)

Market Valuation Uncertainty (Spectrum Apartments, Blackfriars Road, Manchester, M3) (continued)

At the current time, the saleability of the units within the Spectrum Apartments has likely been significantly impacted. Units within the block are likely to be considered unmortgageable, currently only available to cash purchasers. We consider that the time to achieve a sale of the individual units will be extended beyond the usual 3-6 month time frame we would expect. If the units were to be marketed for sale by auction, we would expect a discount to the vacant possession value to reflect the current uncertainty and safety implications within the building. At the present time, it is not possible to accurately reflect what impact the building safety and associated issues have on the achievable values for the Spectrum Apartments.

Investors should refer to the <https://homeinvestor.fund/> website for further updates.

Thesis Unit Trust Management Limited
Authorised Corporate Director
28th February 2023

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Report of the Investment Managers

(unaudited) for the period ended 31st December 2022

Investment Report - Hearthstone Asset Management Limited

1. Residential Market

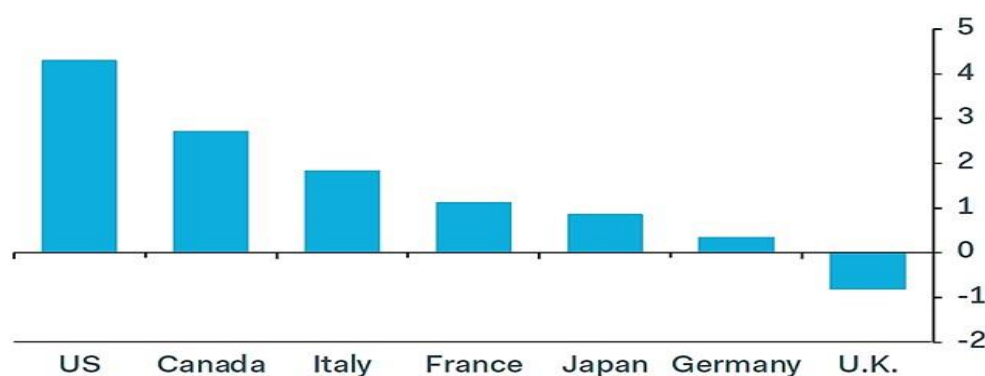
While global economic headwinds remain, the UK has entered a less turbulent period as the new government moved swiftly to reverse most of the policies of the short-lived Truss administration and its calamitous “mini-budget”.

The change of tone has settled markets, and borrowing costs have moderated slightly as long-term interest rate expectations have come down. A quarterly CBI survey of the UK’s financial services firms found that confidence in the sector recovered in the three months to December, as the turmoil subsided. Meanwhile, some progress has been made in thawing strained relationships with the EU, with increasing optimism that a deal on the disputed Northern Ireland Protocol might be reached.

Nevertheless, the still escalating cost of living crisis, associated strikes, a weakening labour market, an apparent collapse of the NHS and high profile failings in other public services mean the government faces an unenviable economic and political landscape as it approaches the next General Election, expected next year.

National accounts data for Q3 confirmed the UK was the only G7 economy where GDP remained below its pre-COVID-19 level. It is unlikely that this has changed since.

Real GDP, % change Q4 2019 to Q3 2022



Source: Pantheon Economics

Latest figures show the UK economy shrank by 0.3% in Q3, and most economists expect a further decline in Q4, which would confirm the UK is already in recession under the accepted definition of two consecutive quarters’ contraction. That said, the first GDP estimate for November surprised on the upside, so it is just possible that the economy will be found to have held its own over the period. Nevertheless, a recession this year seems inescapable.

A significant factor has been the squeeze on household budgets from rising costs, with consumer confidence hitting its lowest level in the 48-year history of the survey. UK households have been more reluctant spenders than those in other G7 countries. This, coupled with a lack of business investment, still 8.1% below its pre-COVID-19 level, and the impact of higher taxes, does not bode well for the UK’s competitiveness against other large economies in 2023.

The surge in inflation, exacerbated by the repercussions of war in Ukraine, has now become more embedded in price-setting and wage bargaining. Central banks have responded with sharp rate rises. The US Federal Reserve raised rates in 75bp steps at four consecutive meetings. The Bank of England has been much less aggressive, but the Bank Rate increased from 2.25% at the start of the quarter to 3.5% at the year end.

The rapid unwinding of more than a decade of easy monetary policy has unsettled financial markets. Equities suffered, with the stocks of riskier, highly valued or loss-making companies suffering a significant sell-off. With inflation driving yields higher and prices lower, bonds, normally a safe haven in difficult times, have been particularly hard hit. UK government bonds have lost almost 18% of their value over the last year. Commercial property has also suffered, with the MSCI Monthly Index showing a 16.5% decline in capital values over the six months to November.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

1. Residential Market (continued)

Nevertheless, there are signs that inflation has already peaked, and although the Bank of England is expected to raise rates again at its next meeting, the tightening cycle appears to be close to an end. Weaker global demand has led to big declines in commodity prices. Mild weather contributed to a halving of European gas prices in December, to a level 30% lower than a year earlier. Freight shipping costs, which exploded in 2021, have tumbled a tenth of August's levels. These changes will take time to feed through, but will bring some respite, and should pave the way for a recovery in 2024.

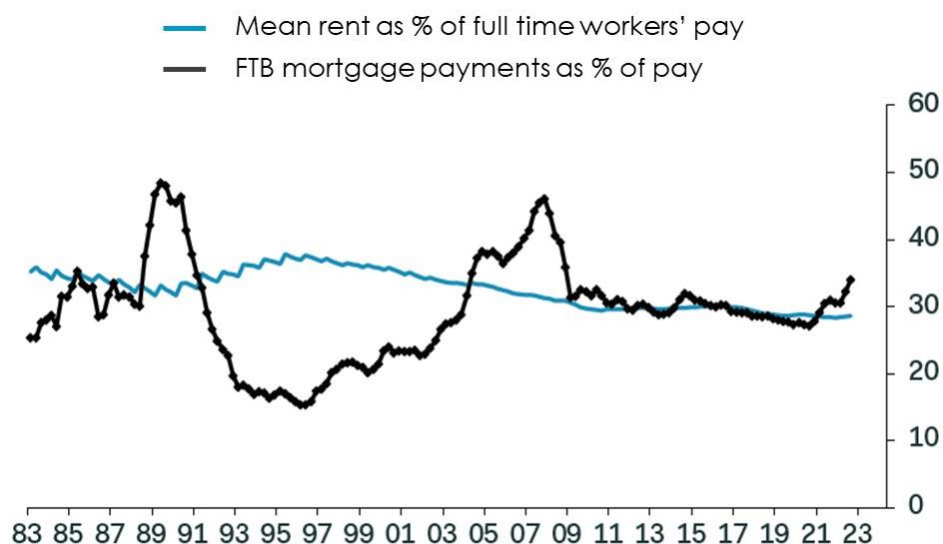
The sharp fall in wholesale energy prices will mean that the government's Energy Price Guarantee now looks set to cost less than half the £12.8 billion estimated in November, which will give the beleaguered Chancellor a little more room for manoeuvre.

Higher interest rates have been a big contributor to the downturn in households' real disposable income, both directly through higher mortgage payments and indirectly through employers' decisions. The prospect of rising unemployment and the current low level of consumer confidence point to continuing caution in household spending decisions.

Although greater market stability in recent weeks has led to some rate reductions for new loans, increased borrowing costs have unsurprisingly started to weigh on house prices. That said, the higher incidence of fixed rate mortgages compared with the same point in previous cycles, has provided some buffer against the immediate effect of higher rates. Higher wage settlements and declining inflation should start to alleviate the pressures as the year progresses.

In the meantime, following the pattern of previous cycles, the higher hurdle to home ownership is fuelling rental demand, as renting has become cheaper than buying, in terms of monthly outgoings, across more areas of the country. In the face of widespread supply shortages, this is feeding through into rental price inflation.

Renting is now cheaper than buying in many areas



Source: Pantheon Economics, Nationwide, VOA, ONS ('FTB': First-time buyer)

House price indices have been volatile over the past year as a variety of economic headwinds have hit the market as detailed above.

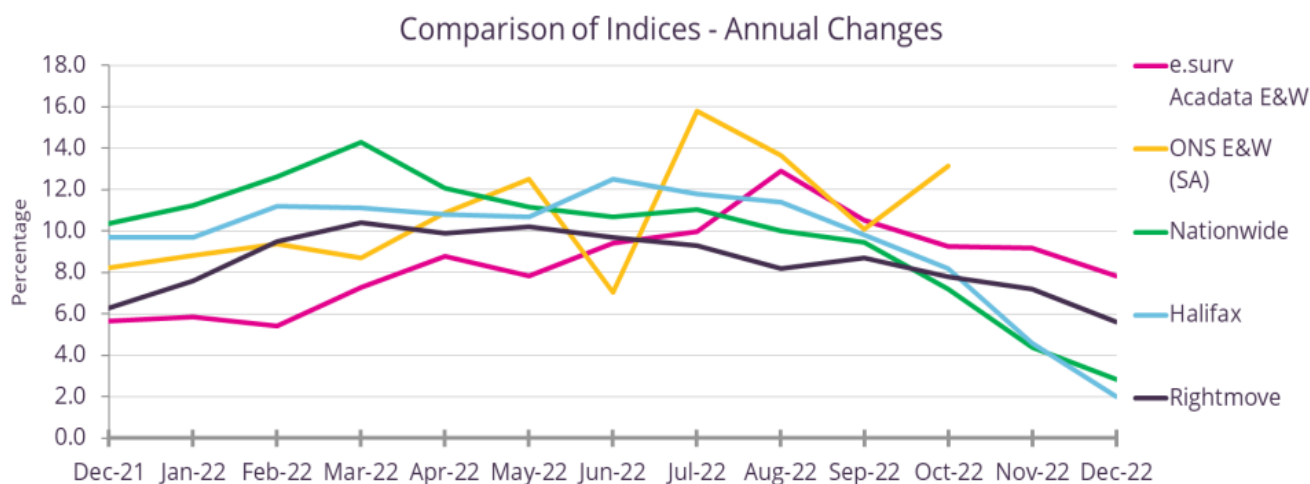
TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

1. Residential Market (continued)



Source: e.surv Acadata

In December, all four indices that have reported to date are showing a positive movement in their annual rates of house price growth, indicating that average house prices are still higher than twelve months earlier, even if the rate of house price growth has been declining from earlier in the year.

The Nationwide and Halifax December rates are broadly similar with annual price growth of 2.8% and 2.0% respectively, with Rightmove at 5.6% and Acadata at 7.8%. We note that there is some volatility between the indices which is due to the fact that the indices are mostly measuring different aspects of the same house buying process. Rightmove measures the seller's asking price for a property at the time it is put on the market. Nationwide and Halifax record their client's offer price for a property at the time a loan is sought from the lender. ONS and Acadata measure the final selling price of a property at the time the conveyancing has been completed, although the two indices differ in terms of their UK/GB coverage, with Acadata also applying three-month averaging to smooth out minor price oscillations.

There is therefore, almost inevitably, a timing difference in the data under study, which is currently being intensified by the delays in conveyancing which are taking place. A delay of six months from a property first coming to the market to its eventual sale and contractual completion is currently not uncommon. The indices thus reflect the different timings in their compilation.

The structural undersupply of good quality rented accommodation (the number of homes available to rent currently is less than half normal levels) continues to support rental levels, and the imbalance between demand and supply is likely to be persistent. Demand for rented homes is being driven by the strength of the labour market and is now being compounded by higher mortgage rates, which are making it harder to buy a home and keeping more people in the rental market for longer. Low supply and rising demand pushes rents higher as people compete for homes.

Rents across the sub-fund's property portfolio has grown by 5.8% year to date, to include rent reviews (4.2%) and relets (9.3%) - with the market as a whole has continued averaging 4.0% year to date according to the Office for National Statistics (ONS).

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

2. Company Performance

The sub-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 sub-fund uses the e.surv Acadata England and Wales House Price Index (previously known as LSL Acadata) for performance comparison purposes only. It is not a target benchmark and the sub-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 UK housing stock.

These properties are let under assured shorthold tenancy agreements (AST's). Returns comprise both capital growth and rental income.

Hearthstone will continue to deploy capital in mainland UK regions as appropriate, identifying locations which it considers may outperform the average for mainland UK over the medium to long term.

Hearthstone continually reviews the performance of all 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 2023 with a small number of further sales, the objective of further improving performance.

Continued close attention was also paid to asset management in particular occupancy and rent collection during the current cost of living crisis. Occupancy of the sub-fund's property portfolio on 1st July 2022 was c. 97% and remained consistently above 97% until 31st December 2022 – although the two units which sold this period did increase vacancy above the usual rates slightly.

The Company's performance as at 31st December 2022 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 Company changed to single pricing from a dual pricing basis on 10th April 2015.

Tables 1a and 1b: Company Performance to 31st December 2022 by Share Class

1a. Accumulation Classes

	Class C	Class D	Class E	Class F	Class H	Feeder
1 month	0.13%	0.07%	0.13%	0.13%	0.19%	0.14%
3 months	0.13%	0.00%	0.13%	0.06%	0.31%	0.14%
6 months	1.24%	1.07%	1.28%	1.11%	1.66%	1.16%
1 year	3.60%	3.34%	3.67%	3.41%	4.46%	3.29%
3 years	8.06%	7.51%	8.35%	7.89%	11.00%	7.34%
Launch *	57.48%	53.55%	60.16%	56.38%	15.84%	47.11%

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

2. Company Performance (continued)

1b. Income Classes

	Class C	Class D	Class E	Class F	Class G	Class H
1 month	0.13%	0.14%	0.13%	0.13%	0.07%	0.19%
3 months	0.09%	0.08%	0.10%	0.06%	0.04%	0.31%
6 months	1.21%	0.93%	1.28%	1.11%	1.10%	1.66%
1 year	3.62%	2.99%	3.73%	3.41%	3.46%	4.46%
3 years					7.92%	
Launch *	7.79%	6.88%	7.95%	7.67%	55.73%	10.31%

Share Class launch dates:

Class	Accumulation	Income
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
Feeder	29/04/2013	-

TM Hearthstone ICVC

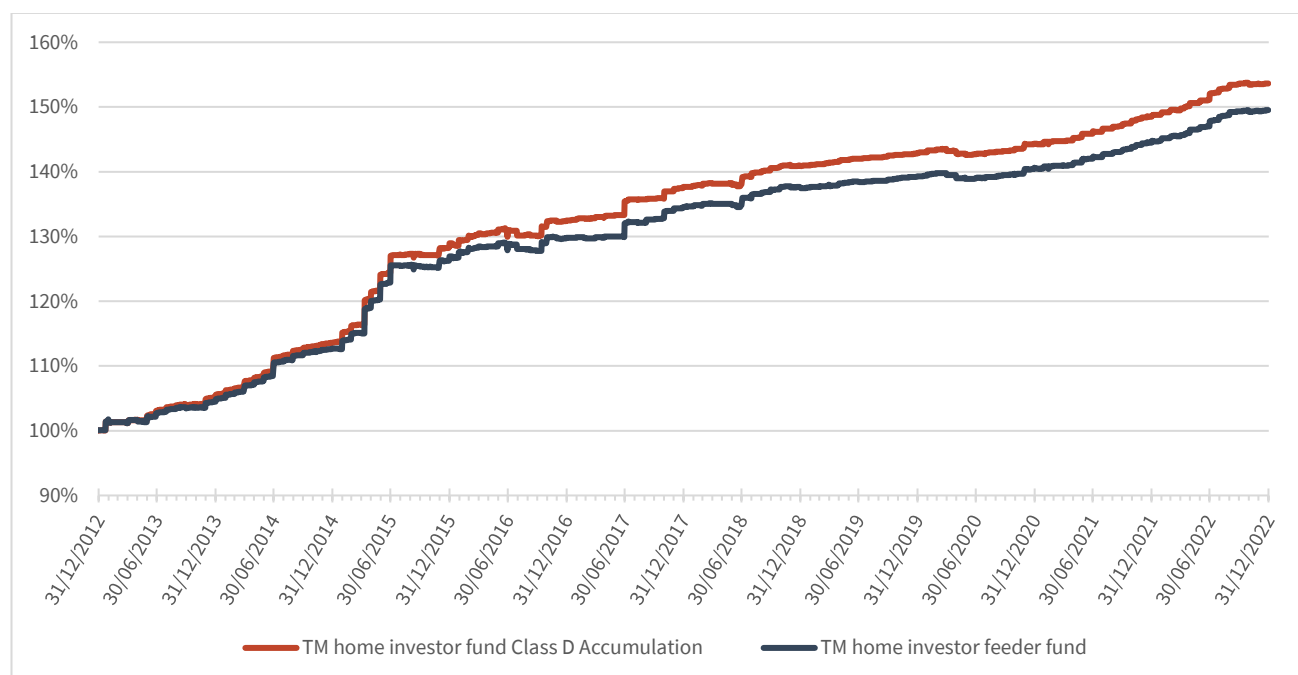
Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

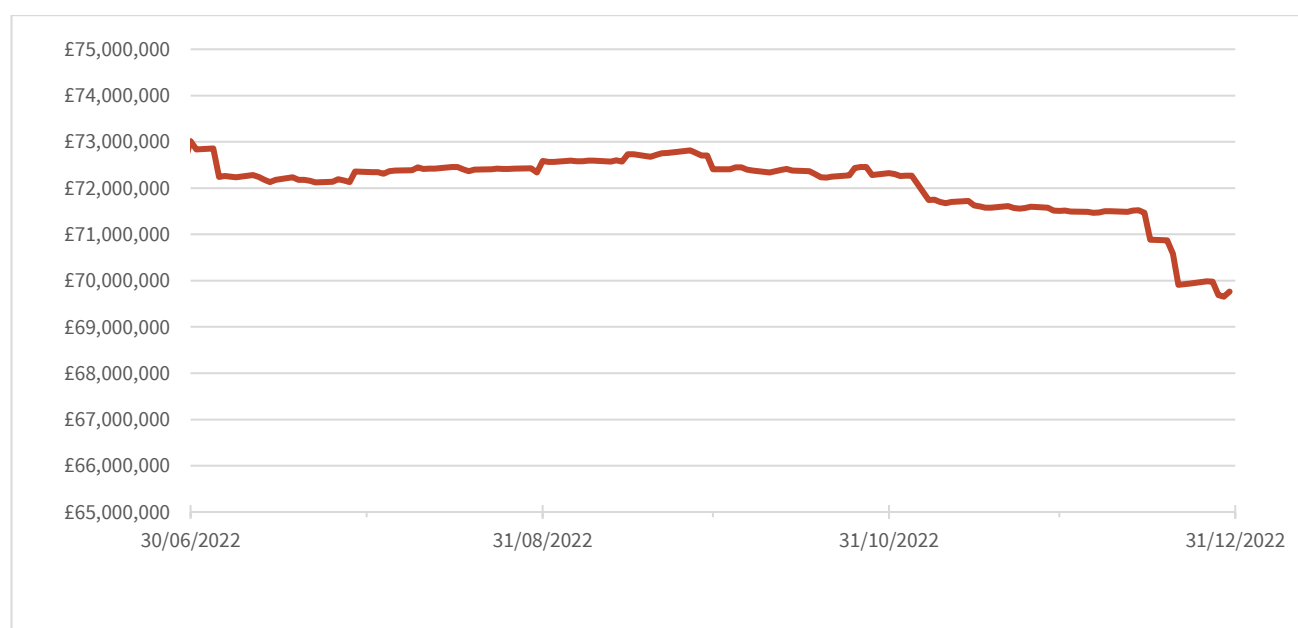
2. Company Performance (continued)

Figure 1: Company Performance, Class D and Feeder Fund – Launch to 31st December 2022



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.

Figure 2: Assets under Management (AUM) 1st July 2022– 31st December 2022



As at 31st December 2022, the sub-fund AUM was **£69,965,285.51**, down 3.94% from £72,833,495.67 on 1st July 2022.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

3. Contribution to Company Performance

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

Table 2: Key Portfolio Statistics to 31st December 2022

Portfolio Purchase Price	£47,251,241
Investment Value (IV) (subject to tenancies in existence)	£59,908,000
Vacant Possession Value (VP) (assuming vacant possession)	£59,908,000
Number of Properties	227*
Average Unit Value VP	£263,912
Potential Gross Annual Rental Income	£2,863,346
Average Annual Rent	£13,066
Potential Gross Property Yield – Potential gross income (actual annualised)	4.88%
Current Gross Property Yield – After voids i.e. Let properties only (actual annualised)	4.74%
Net Property Yield - After voids & actual property expenditure (actual annualised)	3.32%

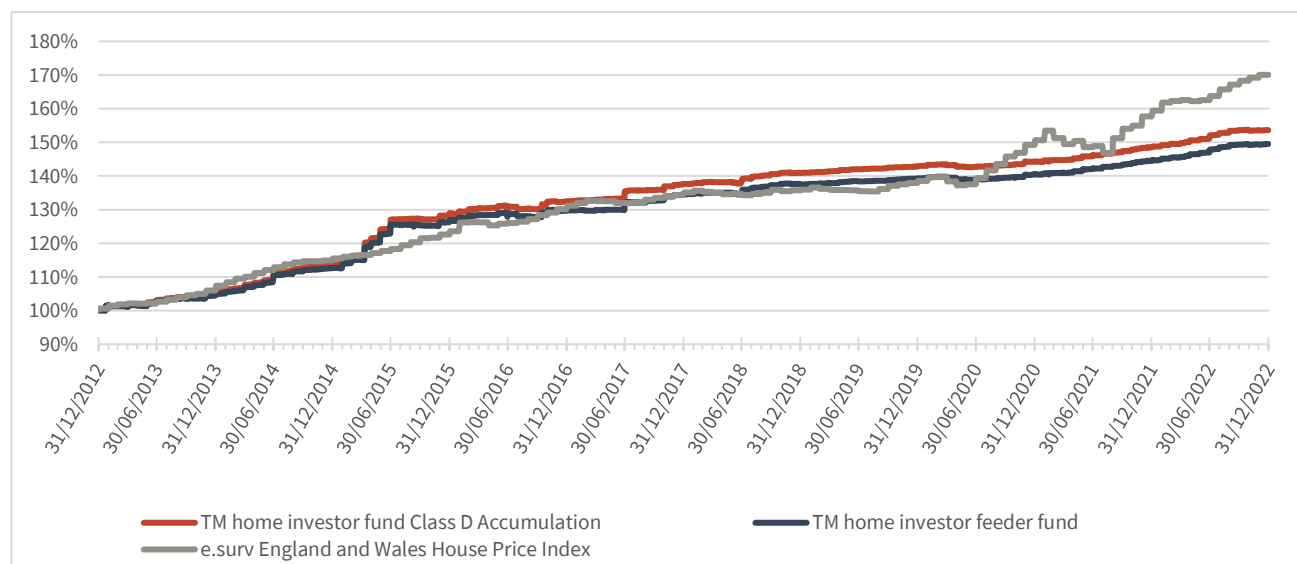
*226 properties, plus 1 set of car parking spaces

i. 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 Acadata House Price Index is a capital index based on vacant possession (VP) values.

Figure 3 shows the valuation movement of the sub-fund's property portfolio (adjusted for acquisitions and disposals) from the launch of the sub-fund to 31st December 2022 against the e.surv Acadata House Price Index. Figure 4 shows rolling annual change in the sub-fund's property portfolio over the year to 31st December 2022, versus e.surv Acadata House Price Index over the same period.

Figure 3: Property portfolio valuation change vs e.surv Acadata, from Company launch to 31st December 2022



TM Hearthstone ICVC

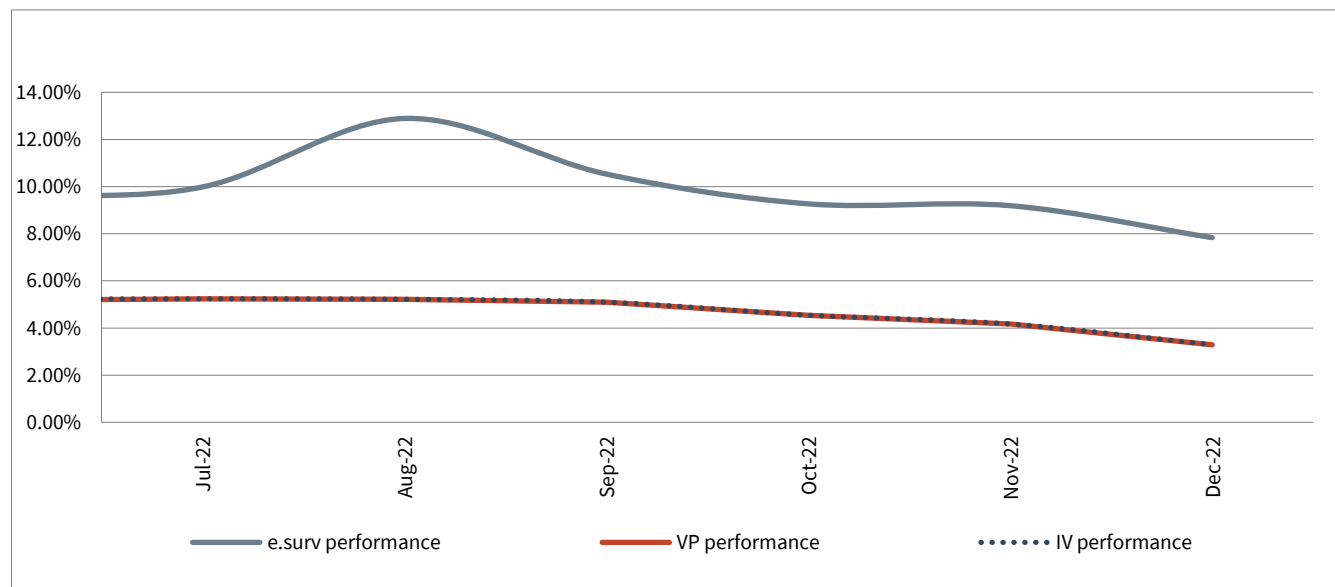
Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

3. Contribution to Company Performance (continued)

Figure 4: Rolling annual property portfolio valuation change vs e.surv Acadata, year to 31st December 2022



In December 2022, e.surv Acadata reported a 7.83% annual increase in average house prices (10.2% increase excluding London & the South East). Over the same twelve-month period, the performance of the sub-fund's portfolio is 3.29% (VP and IV).

Since launch of the sub-fund, this brings the increase in IV to 38.02%, and to 40.31% on a VP basis. By way of comparison, the e.surv Acadata House Price Index (which includes the effect of prime central London) reported a change in house prices of 53.41% over the same period.

As detailed above, there is a slowing in House Price Indices' growth, but they still rose in December 2022 with LSL reporting 0.5% house price growth. What must be remembered is that the data is based off completed sales at the end of the conveyancing period, which with an average of c.3 months to complete conveyancing, this data likely reflects the market in September 2022. It is likely to be into Q2 2023 before a reliable measure of house price growth for 2022 emerges and the impact of the rise mortgage rates in Q4 2022. We are reading the recent months' index data with a high degree of caution.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

3. Contribution to Company Performance (continued)

ii. Rental Yield & Income

Rent Collection

Rent collection throughout H2 2022 remained high, averaging 99.5%.

Figure 5: Historical Rent Collection as a Percentage of Rent Demanded

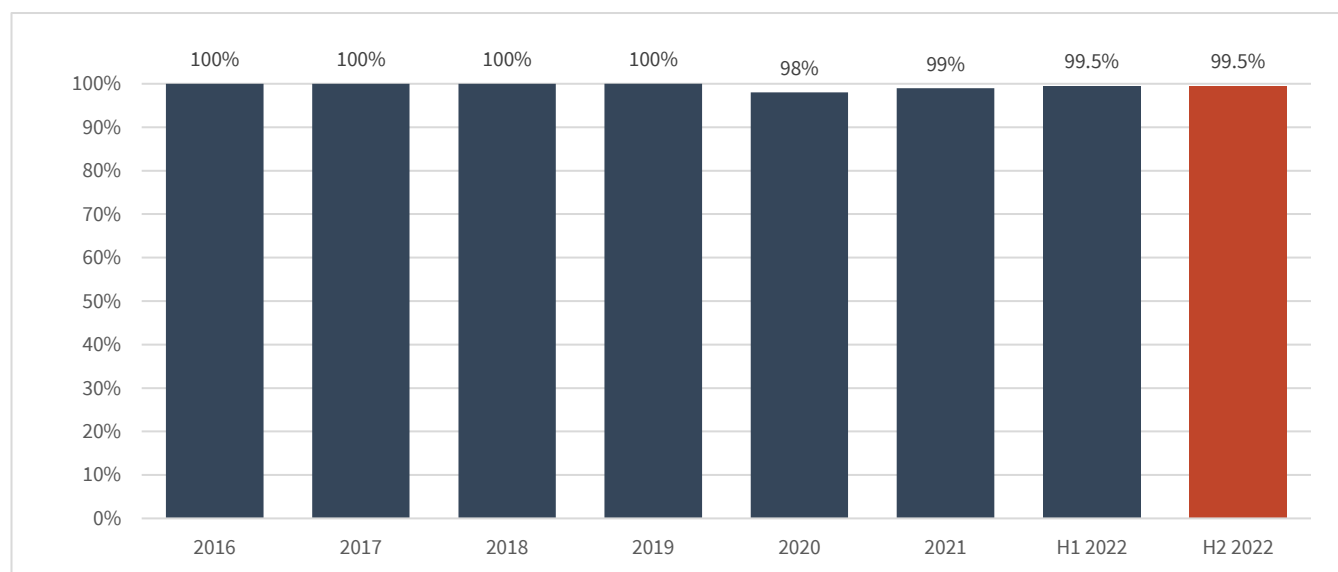


Table 3: Accrued Gross Rental Yield December 2022 per region

Region	Portfolio Gross Yield – December 2022
North West	5.74%
North East	-
Yorkshire & Humber	5.46%
South East	4.49%
South West	4.97%
Wales	-
Scotland	4.87%
East of England	4.53%
East Midlands	4.80%
West Midlands	5.30%
London	5.03%
Overall	4.93%

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

3. Contribution to Company Performance (continued)

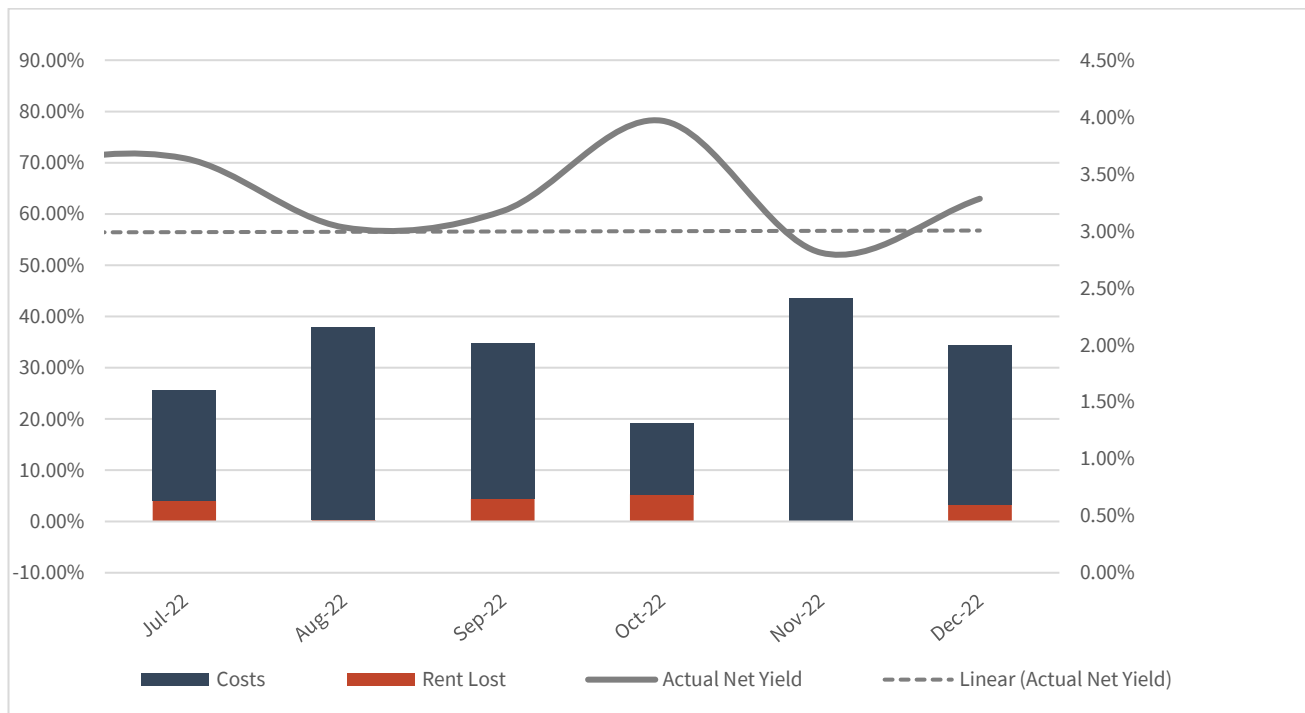
Table 4 shows the gross/net property yield on a monthly basis.

Table 4: Actual Gross - Net Yield monthly

Month	Potential Gross Yield	Current Gross Yield	Net Yield
Jul-22	4.84%	4.64%	3.64%
Aug-22	4.84%	4.83%	3.03%
Sep-22	4.85%	4.63%	3.18%
Oct-22	4.89%	4.63%	3.97%
Nov-22	4.90%	4.90%	2.81%
Dec-22	4.95%	4.79%	3.28%

Figure 6 below details the impact of rental loss through arrears, voids, and property level costs (as % of potential rent on the left-hand axis) on the net yield (right-hand axis).

Figure 6: Cost impact on Net Property Yields as a percentage of Potential Rent



TM Hearthstone ICVC

Report of the Investment Managers

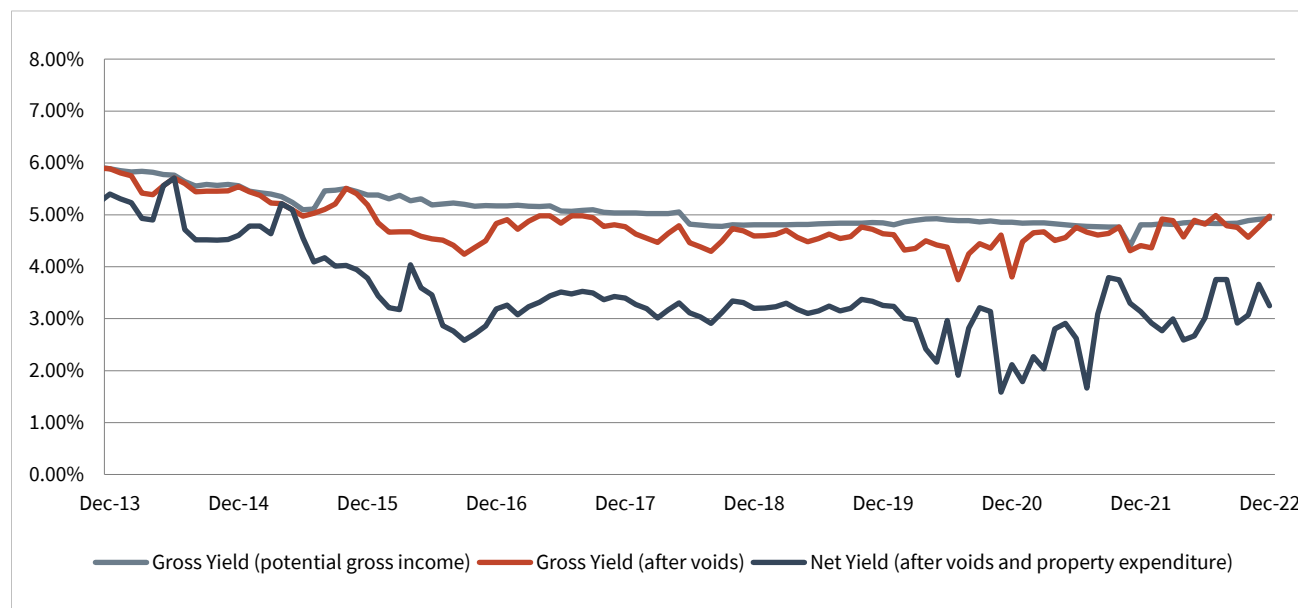
(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

3. Contribution to Company Performance (continued)

Figure 7 shows the movement of the gross/net property yield from inception to 31st December 2022 on an accrual basis.

Figure 7: Annualised Gross to Net Property Yield (Accrual basis)



4. Purchases and Sales in the period

In order to meet its investment objectives, the sub-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 sub-fund has acquired c.£55.5 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 sub-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 sub-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

No new acquisitions were completed in H2 2022.

The sub-fund is currently holding c.14% cash although we are not currently seeking further acquisitions.

ii. Sales

The regular review of assets identified some which were likely to underperform, and two properties have been sold during the reporting period.

Taking into account the sold properties and new acquisitions, the purchase price of the assets held as at 31st December 2022 was £47,251,241.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

4. Purchases and Sales in the period (continued)

Table 5: Summary of disposals since 30th June 2022

Property	Purchase Price	Sold Price	Uplift	% uplift	Sale Date
1 Mansion House, Colchester	£130,345.02	£160,000.00	£29,654.98	22.75%	28/10/2022
12 Henmead House, Haywards Heath	£291,668.00	£305,000.00	£13,332.00	4.57%	02/12/2022
Total	£422,013.02	£465,000.00	£42,986.98	10.19%	

ii. Holdings

At the end of 2022, 48.13% of the sub-fund's Net Asset Value (NAV) was held across ten sites, and these are set out in Table 6 below.

Table 6: Top 10 Holdings 31st December 2022

Property Name	Number of Properties	Value	% of NAV
Quadrant Court, Wembley, London HA9	22	£7,385,000	10.56%
Wickhurst Green, Horsham, RH12	14	£4,840,000	6.92%
The Limes, Nottingham, NG8	18	£4,110,000	5.87%
Crocketts Lane, Smethwick, B66	13	£3,285,000	4.70%
Whittingham Place, Preston, PR3	13	£2,998,000	4.28%
* Spectrum, Blackfriars Road, Manchester M3	17	£2,955,000	4.22%
King Georges Park, Rowhedge, CO5	8	£2,710,000	3.87%
Rea Road, Northfield, Birmingham. B31	14	£1,940,000	2.77%
Portland View, Bristol, BS2	6	£1,780,000	2.54%
Willow Grange, Doncaster, DN4	8	£1,670,000	2.39%
	133	£33,673,000	48.13%

* The Standing Independent Valuer continues to attach a valuation uncertainty clause to the Spectrum flats pending a satisfactory EWS1 (external wall safety) assessment. The building's Management Committee has registered with the Building Safety Fund and is currently working to assess the remediation works required.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

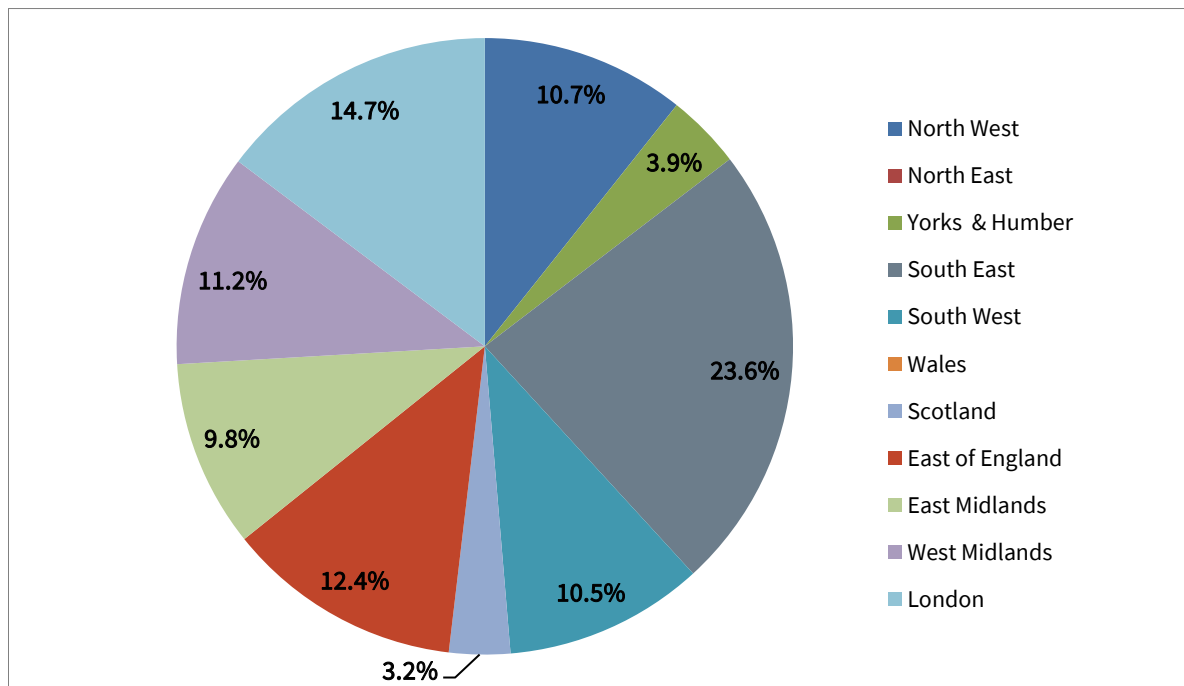
4. Property Transactions (continued)

Table 7 shows the current portfolio against the e.surv Acadata regional weightings of property as at 31st December 2022. The portfolio is reasonably balanced at present but slightly underweight in the Yorkshire & Humber, which we aim to address when we resume acquisitions. The portfolio remains intentionally underweight in London and Scotland.

Table 7: Property Portfolio Breakdown vs Regional e.surv Acadata Allocations as at 31st December 2022

Areas	No of Units	% of units	Purchase Price	Current IV	% by Value & Region	% +/-	e.surv Acadata Regional Weightings
North West	34	15%	£5,606,000	£6,408,000	10.7%	2.8%	7.9%
North East	0	0%	£0	£0	0.0%	-2.2%	2.2%
Yorks & Humber	11	5%	£2,070,000	£2,350,000	3.9%	-1.8%	5.7%
South East	40	18%	£11,518,732	£14,120,000	23.6%	3.5%	20.1%
South West	21	9%	£5,315,000	£6,277,500	10.5%	0.2%	10.3%
Wales	0	0%	£0	£0	0.0%	-3.0%	3.0%
Scotland	8	4%	£1,185,708	£1,920,000	3.2%	-3.6%	6.8%
East of England	24	10%	£5,688,552	£7,412,500	12.4%	0.6%	11.8%
East Midlands	27	12%	£4,427,750	£5,890,000	9.8%	3.8%	6.0%
West Midlands	35	15%	£5,311,000	£6,690,000	11.2%	4.5%	6.7%
London	27	12%	£6,128,500	£8,840,000	14.7%	-4.8%	19.5%
TOTAL	227	100%	£47,251,241	£59,908,000	100%		100.0%

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



TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

5. Rental Income

Table 8: Rent Collection & Expenditure to 31st December 2022

Rent Demanded	£1,436,004.43
Rent Collected *	£1,428,106.95
Property Expenditure Paid	£435,923.71
Net Rent Received by Fund *	£992,183.24
% collected– 1st July 2022 – 31st December 2022	99.45%

* Rental income is collected by the Property Manager. 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 – this equated to £8,334.57 during this reporting period.

i. Arrears

As at 31st December 2022 arrears totalled £64,055.43, of which £8,037.35 are historical tenant rental arrears. The three largest arrears account for c.£45,000 of current arrears (81%), all of which are going through the appropriate processes to regain possession and recoup as much monies as possible for investors.

Comparing these figures with the total annual rental potential of the portfolio at £2,863,346 and the number of tenants in substantial arrears demonstrates the success of the tenant referencing and tenancy management.

ii. Write Offs

During the period 1st July 2022 to 31st December 2022, one debt was written off to the value of £20,704.11 – this was a long-term arrear with no prospect of repayment.

6. Performance Figures

Table 9: Company Key Financial Figures 31st December 2022

INCOME		
Gross Income Accrued by the Company from 1st July 2022 – 31st December 2022	£1,461,800.00	
Net Annual Company Income @ 31st December 2022 (added back in distribution income)	£818,222.00	September 2022 : £418,163 December 2022 : £400,059
Gross to Net Adjustment	44.03%	

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

6. Performance Figures (continued)

Company Performance vs e.surv Acadata House Price Index

The sub-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 Acadata England and Wales House Price Index (previously known as LSL Acadata) for performance comparison purposes only – it is not a target benchmark and the sub-fund is not constrained by it.

Comparing the sub-fund performance for the individual share classes to 31st December 2022 against the e.surv Acadata index it can be seen that, on an annualised basis, the sub-fund has underperformed that index on all share classes in the past six months, with performance varying between share classes from 0.93% to 1.66% against 4.62% reported by the index. As stated earlier in this report, we do expect to see further revisions to the figure stated by e.surv Acadata as outstanding transaction data is processed by Land Registry, and that a reliable figure for the index may not materialise until Q3 2022.

Tables 10a and 10b, and figure 9 below show performance of the sub-fund versus the e.surv Acadata England and Wales House Price Index. Sub-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: Company Performance vs e.surv Acadata House Price Index to 31st December 2022

10a. Accumulation Classes

	Class C	Class D	Class E	Class F	Class H	Feeder	e.surv Acadata
1 month	0.13%	0.07%	0.13%	0.13%	0.19%	0.14%	0.50%
3 months	0.13%	0.00%	0.13%	0.06%	0.31%	0.14%	1.73%
6 months	1.24%	1.07%	1.28%	1.11%	1.66%	1.16%	4.62%
1 year	3.60%	3.34%	3.67%	3.41%	4.46%	3.29%	7.83%

10b. Income Classes

	Class C	Class D	Class E	Class F	Class G	Class H	e.surv Acadata
1 month	0.13%	0.14%	0.13%	0.13%	0.07%	0.19%	0.50%
3 months	0.09%	0.08%	0.10%	0.06%	0.04%	0.31%	1.73%
6 months	1.21%	0.93%	1.28%	1.11%	1.10%	1.66%	4.62%
1 year	3.62%	2.99%	3.73%	3.41%	3.46%	4.46%	7.83%

TM Hearthstone ICVC

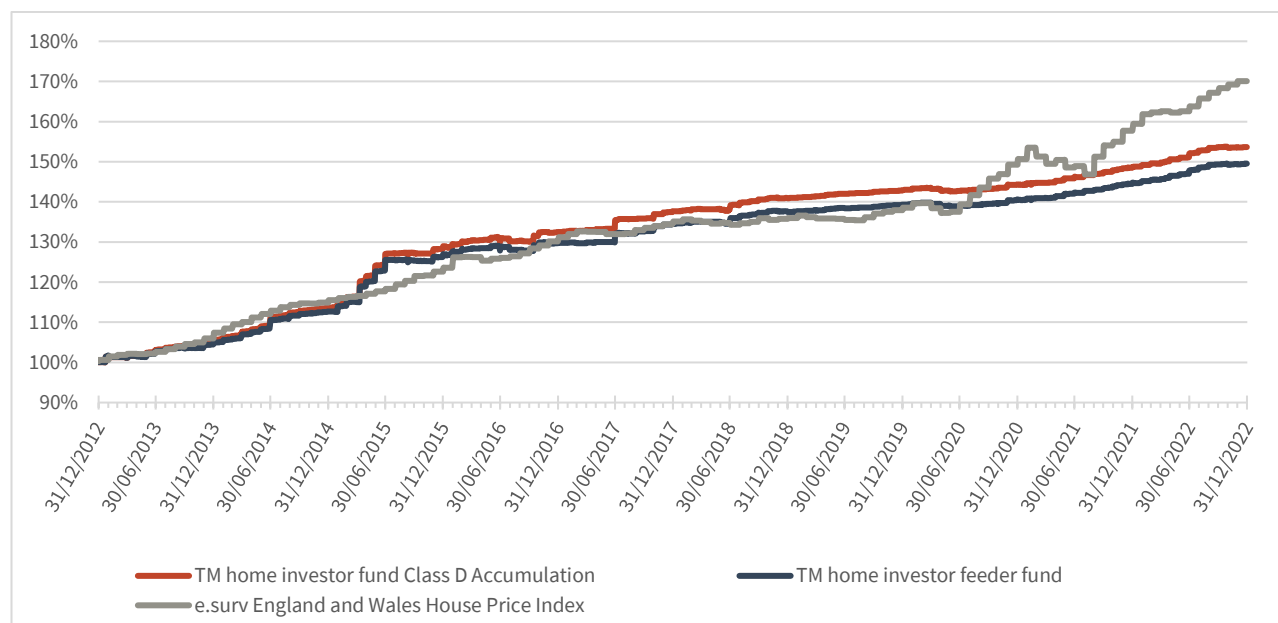
Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

6. Performance Figures (continued)

Figure 9: Performance of Class D Accumulation and Feeder Fund v e.surv Acadata to 31st December 2022

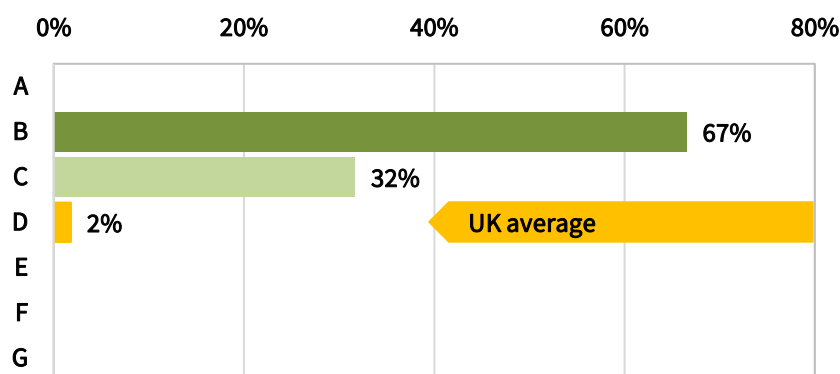


Note 3: Basis = 100% at share class launch date. For simplicity, only Class D Accumulation and Feeder performance are plotted on the chart as these are the most widely available classes across investment platforms and product wrappers.

7. Positive Environmental and Social Impact

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 with a focus on "Eco-measures" such as EV charging points and heat pumps in new acquisitions.

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



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

Properties held in the sub-fund house a diverse set of tenants, some 28% of which are key workers.

TM Hearthstone ICVC

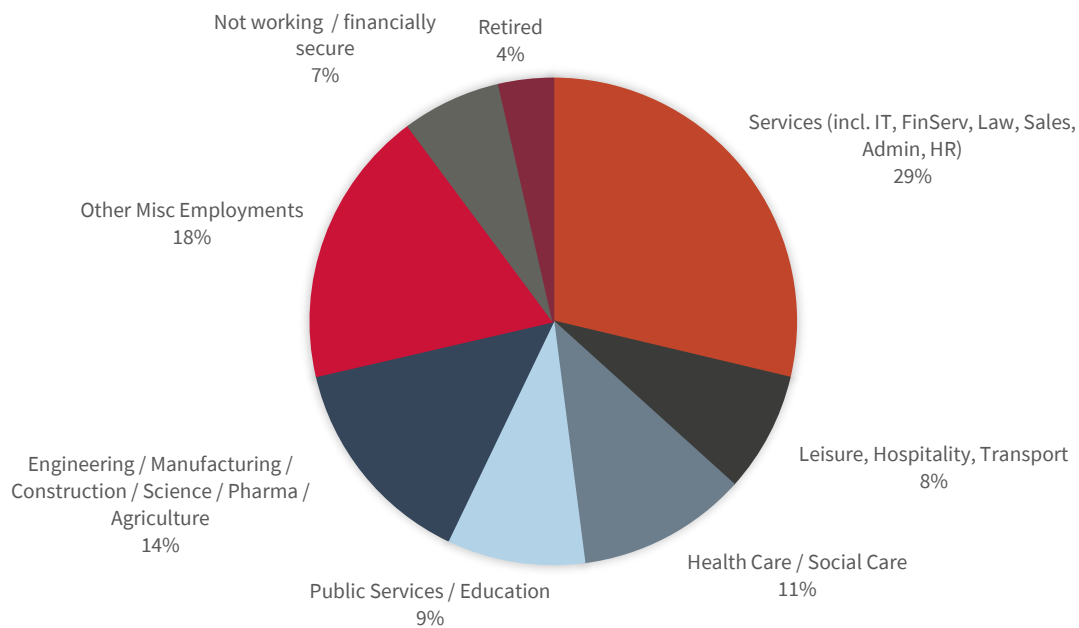
Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

7. Positive Environmental and Social Impact (continued)

Figure 11: Tenant Employment Profile



Source: *Hearthstone*

Hearthstone Asset Management Limited
Property Investment Manager
20th January 2023

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2022 (continued)

Investment Report - Thesis Asset Management Limited

Thesis Asset Management manages the cash and stock element of the TM Home Investor Fund to ensure a level of liquidity to meet investor dealing and property transactions.

Bank of England Base Rate has continued to rise during the period to end at 3.5%. As a consequence, returns from cash or Money market related funds have increased during the period. The BlackRock Sterling Liquidity Fund returning 1.01% and the Federated Short-Term Sterling Prime Fund gained 1.00%. Both funds invest in a diversified portfolio of high quality Sterling denominated short term debt and debt related instruments.

Thesis Asset Management Limited
Investment Manager
20th January 2023

TM Hearthstone ICVC

Constitution

TM Hearthstone ICVC (the "Company") is an investment company with variable capital for the purposes of the Act. The Company is a Non-UCITS Retail Scheme. It is structured as an umbrella company, though currently has only one sub-fund, the TM home investor fund (the "sub-fund"). Further sub-funds may be established in the future. The company has an unlimited duration. The Company was authorised by the FCA pursuant to an authorisation order dated 30th April 2012. The Company registration number is IC946. The head office of the Company is at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP. This is the address in the UK for service on the Company of notices or other documents required or authorised to be served on it.

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

Certification of Interim Report & Accounts 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”) and the Investment Funds sourcebook (“FUND”), we hereby certify this Interim Report & Accounts on behalf of the ACD, Thesis Unit Trust Management Limited.

D.W. TYERMAN Director

S. E. NOONE Director

28th February 2023

TM Hearthstone ICVC

TM home investor fund

Portfolio Statement

(unaudited) as at 31st December 2022

Holding	Market value £	Percentage of total net assets %
INVESTMENTS IN IMMOVABLE PROPERTY 85.92% (82.53%)		
Market value greater than £400,000 5.86% (4.95%)		
2 Sargent Way, Broadbridge Heath, Horsham, West Sussex	825,000	1.18
1 Southfields Green, Gravesend, Kent	580,000	0.83
1 Chilton Field Way, Chilton, Didcot, Oxfordshire	510,000	0.73
1 Silk Close, Buckingham, Buckinghamshire	460,000	0.66
1 Station Road, Hertford, Hertfordshire	450,000	0.65
1 Brunel Court, Barnet, Middlesex, London	425,000	0.61
1 Broom Field Way, Felpham, West Sussex	425,000	0.61
1 De Froschia Close, Calne, Wiltshire	410,000	0.59
	4,085,000	5.86
Market value between £300,001 and £400,000 32.50% (33.50%)		
14 Quadrant Court, Empire Way, Wembley, Greater London	5,450,000	7.82
9 Carter Drive, Broadbridge Heath, Horsham, West Sussex	3,090,000	4.43
7 Copse Drive, Rowhedge, Colchester, Essex	2,425,000	3.48
4 Pandora Close, Locks Heath, Fareham, Hampshire	1,482,500	2.13
3 Gold Furlong, Milton Keynes, Bedfordshire	1,050,000	1.51
3 Weavers Close, Eastbourne, East Sussex	977,500	1.40
2 Lake View, Houghton Regis, Bedfordshire	750,000	1.08
2 Cavalry Road, Colchester, Essex	690,000	0.99
2 Sword Grove, Wainscott, Rochester, Kent	670,000	0.96
2 Wood Street, Patchway, Bristol, South Gloucestershire	660,000	0.95
2 Bishop Street, Bristol, South Gloucestershire	630,000	0.90
Henmead House, Tall Trees, Bolnore Village, Renfields, Haywards Heath, West Sussex	610,000	0.87
1 Samas Way, Dartford, Kent	390,000	0.56
1 Olympic Boulevard, Colchester, Essex	385,000	0.55
1 Beale Close, Broadbridge Heath, Horsham, West Sussex	385,000	0.55
1 Dunnock Road, Corby, Northamptonshire	350,000	0.50
1 Apollo Avenue, Peterborough, Cambridgeshire	350,000	0.50
1 Virginia Road, Dartford, Kent	345,000	0.49
1 Dragoon Road, Colchester, Essex	345,000	0.49
1 Blacksmith Lane, Colchester, Essex	345,000	0.49
1 Oakfield Road, Shifnal, Shropshire	340,000	0.49
1 Roman Way, Cranbrook, Devon	325,000	0.47
1 Eveas Drive, Sittingbourne, Kent	315,000	0.45
1 Mosquito Road, Cambourne, Cambridgeshire	310,000	0.44
	22,670,000	32.50
Market value between £200,001 and £300,000 35.91% (34.40%)		
13 John Brooks Avenue, Smethwick, Birmingham, West Midlands	3,285,000	4.71
13 Whitehall Drive, Broughton, Lancashire	2,998,000	4.30
8 Quadrant Court, Empire Way, Wembley, Greater London	1,935,000	2.78
6 Laxton Close, Nottingham, Nottinghamshire	1,310,000	1.88

TM Hearthstone ICVC

TM home investor fund

Portfolio Statement

(unaudited) as at 31st December 2022 (continued)

Holding	Market value £	Percentage of total net assets %
Market value between £200,001 and £300,000 35.91% (34.40%) (continued)		
6 Meridian Close, Nottingham, Nottinghamshire	1,310,000	1.88
4 Bishop Street, Bristol, South Gloucestershire	1,150,000	1.65
4 De Froschia Close, Calne, Wiltshire	1,137,500	1.63
3 Henmead House, Haywards Heath, West Sussex	900,000	1.29
3 Kimmerghame Terrace, Edinburgh, Lothian, Scotland	890,000	1.28
4 Pond Close, Doncaster, Yorkshire	846,000	1.21
3 Blackfriars Road (Block 6), Salford, Greater Manchester*	615,000	0.88
2 Sycamore Drive, Calne, Wiltshire	580,000	0.83
2 Elizabethan Way, Teignmouth, Devon	575,000	0.82
2 Carter Drive, Broadbridge Heath, Horsham, West Sussex	540,000	0.77
2 Merchant Avenue, Nottingham, Nottinghamshire	525,000	0.75
2 Spa House, Hayes, Hillingdon, London	515,000	0.74
2 Lapins Close, Nottingham, Nottinghamshire	440,000	0.63
2 Betjeman Way, Cleobury Mortimer, Shropshire	435,000	0.62
2 Blackberry Road, Doncaster, Yorkshire	435,000	0.62
2 Arneil Drive, Edinburgh, Lothian, Scotland	410,000	0.59
1 Kimmerghame Terrace, Edinburgh, Lothian, Scotland	300,000	0.43
1 Hayburn Road, Swindon, Wiltshire	300,000	0.43
1 Weavers Close, Eastbourne, East Sussex	295,000	0.42
1 Copse Drive, Rowhedge, Colchester, Essex	285,000	0.41
1 Brunel Court, Barnet, Middlesex, London	280,000	0.40
1 Mallow Road, Minster, Kent	270,000	0.39
1 Cardinal Drive, Tuffley, Gloucester, Gloucestershire	270,000	0.39
1 Cygnet Road, Stowmarket, Suffolk	265,000	0.38
1 Chalfont Drive, Nottingham, Nottinghamshire	262,500	0.38
1 Penny Close, Nottingham, Nottinghamshire	262,500	0.38
1 Doveholes Drive, Handsworth, Sheffield, South Yorkshire	255,000	0.37
1 Beech Drive, Thornton-Cleveleys, Lancashire	245,000	0.35
1 Paper Lane, Paulton, Bristol, Somerset	240,000	0.34
1 Featherstone Court, Featherstone Road, Southall, Ealing, London	235,000	0.34
1 Rowley Mews, Pocklington, Yorks, East Riding	235,000	0.34
1 Chester Drive, Doncaster, Yorkshire	210,500	0.30
	25,042,000	35.91

Market value between £100,001 and £200,000 11.14% (9.22%)

9 Blackfriars Road (Block 6), Salford, Greater Manchester*	1,300,000	1.86
8 124 Rea Road, Northfield, Birmingham, West Midlands	1,115,000	1.60
5 Mansion House, Salamanca Way, Colchester, Essex	812,500	1.17
4 Bennet Drive, Kirkby-in-Ashfield, Nottinghamshire	720,000	1.03
3 Blackfriars Road (Block 1), Salford, Greater Manchester*	590,000	0.85
3 120 Rea Road, Northfield, Birmingham, West Midlands	412,500	0.59
2 Lythalls Lane, Coventry, West Midlands	345,000	0.49
2 Lindleys Lane, Kirkby-in-Ashfield, Nottinghamshire	340,000	0.49
2 Arneil Drive, Edinburgh, Lothian, Scotland	320,000	0.46
2 118 Rea Road, Northfield, Birmingham, West Midlands	275,000	0.39
1 Blackfriars Road (Block 3), Salford, Greater Manchester*	195,000	0.28
1 Blackfriars Road (Block 5), Salford, Greater Manchester*	195,000	0.28

TM Hearthstone ICVC

TM home investor fund

Portfolio Statement

(unaudited) as at 31st December 2022 (continued)

Holding	Market value £	Percentage of total net assets %
Market value between £100,001 and £200,000 11.14% (9.22%) (continued)		
1 Doveholes Drive, Handsworth, Sheffield, South Yorkshire	190,000	0.27
1 Owston Road, Annesley, Nottinghamshire	185,000	0.27
1 Lacey Grove, Annesley, Nottinghamshire	185,000	0.27
1 Pond Close, Doncaster, Yorkshire	178,500	0.26
1 Lambert Close, Erdington, Birmingham, West Midlands	155,000	0.22
1 122 Rea Road, Northfield, Birmingham, West Midlands	137,500	0.20
1 Clarendon Gardens, Bolton, Lancashire	115,000	0.16
	7,766,000	11.14
Market value lower than £100,001 0.51% (0.46%)		
1 Leopard Lane, West Bromwich, West Midlands	95,000	0.14
1 Hobart Point, Churchfields Way, West Bromwich, West Midlands	95,000	0.14
1 Fernbeck Close, Farnworth, Bolton, Greater Manchester	95,000	0.14
1 Car parking spaces (No 25, 55, 92 & 94), Blackfriars Road, Salford, Greater Manchester	60,000	0.09
	345,000	0.51
TOTAL IMMOVABLE PROPERTY	59,908,000	85.92
COLLECTIVE INVESTMENT SCHEMES 10.13% (9.60%)		
20,526 BlackRock Institutional Sterling Liquidity Fund Accumulation	3,524,834	5.06
3,243,771 Federated Prime Sterling Liquidity Fund Class 08 Accumulation	3,537,332	5.07
	7,062,166	10.13
TOTAL COLLECTIVE INVESTMENT SCHEMES	7,062,166	10.13
Net investments 92.13% (92.13%)	66,970,166	96.05
Net other assets	2,752,768	3.95
Total net assets	69,722,934	100.00

Note: Comparative figures shown in brackets relate to 30th June 2022.

* A Material Valuation Uncertainty clause has been attached to the valuation of the property. For further information refer to the 'Important Information' section.

TM Hearthstone ICVC

TM home investor fund

Sub-fund Information

The Comparative Tables on pages 30 to 41 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 and property expenses 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 period-end published price.

Portfolio transaction costs are incurred when investments are bought or sold by a sub-fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

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

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the sub-fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

TM Hearthstone ICVC

TM home investor fund

Sub-fund Information *(continued)*

Comparative Tables

Class A Retail Gross Accumulation

Accounting Period

01/07/2020 -
30/06/2021¹
(pence per share)

Change in Net Asset Value per Share

Opening net asset value per share	137.52
Return before operating charges and property expenses*	3.72
Operating charges	(1.37)
Property expenses	(1.07)
Return after operating charges and property expenses*	1.28
Distributions	(0.08)
Retained distributions on accumulation shares	0.08
Last net asset value per share	138.80

*after direct transaction costs of ²: 0.10

Performance

Return after charges 0.93%

Other Information

Closing net asset value (£'000)	—
Closing number of shares	—
Operating charges ³	2.14%
Property expense ratio ⁴	1.67%
Direct transaction costs	0.00%

Prices

Highest share price	138.90
Lowest share price	137.40

¹ As at the year ended 30th June 2021, there were no shares in issue. Share class performance provided is as at 5th February 2021 being the last net asset value per share before shares were reduced to zero. Class A Retail Gross Accumulation shares were converted to Class C Unbundled Gross Accumulation shares on 5th February 2021.

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 Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)

Class B Retail Net Accumulation

Accounting Period

01/07/2020 -
30/06/2021¹
(pence per share)

Change in Net Asset Value per Share

Opening net asset value per share	136.04
Return before operating charges and property expenses*	3.76
Operating charges	(1.35)
Property expenses	(1.05)
Return after operating charges and property expenses*	1.36
Distributions	(0.15)
Retained distributions on accumulation shares	0.15
Last net asset value per share	137.40

*after direct transaction costs of ²: 0.10

Performance

Return after charges 1.00%

Other Information

Closing net asset value (£'000)	—
Closing number of shares	—
Operating charges ³	2.14%
Property expense ratio ⁴	1.67%
Direct transaction costs	0.00%

Prices

Highest share price	137.50
Lowest share price	136.00

¹ As at the year ended 30th June 2021, there were no shares in issue. Share class performance provided is as at 5th February 2021 being the last net asset value per share before shares were reduced to zero. Class B Retail Net Accumulation shares were converted to Class D Unbundled Net Accumulation shares on 5th February 2021.

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 Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)*

Class C Unbundled Gross Income

Accounting Period	01/07/2022 - 31/12/2022 (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	06/10/2020 - 30/06/2021 ¹ (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	149.08	146.06	144.40
Return before operating charges and property expenses*	3.83	10.26	6.41
Operating charges ²	(1.10)	(2.18)	(1.65)
Property expenses ²	(0.92)	(1.94)	(1.78)
Return after operating charges and property expenses*	1.81	6.14	2.98
Distributions on income shares	(2.05)	(3.12)	(1.32)
Closing net asset value per share	148.84	149.08	146.06
 *after direct transaction costs of:	 0.94	 0.82	 0.14
Performance			
Return after charges	1.21%	4.20%	2.06%
Other Information			
Closing net asset value (£'000)	280	255	4
Closing number of shares	188,149	170,728	2,921
Operating charges ³	1.46%	1.47%	1.54%
Property expense ratio ⁴	1.21%	1.31%	1.67%
Direct transaction costs	0.63%	0.56%	0.10%
Prices			
Highest share price	150.80	149.90	147.20
Lowest share price	149.20	146.10	144.30

¹ Class C Unbundled Gross Income share class became active on 6th October 2020.

² Operating cost and property expense for the six-month period ended 31st December 2022.

³ Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)

Class C Unbundled Gross Accumulation

Accounting Period	01/07/2022 - 31/12/2022 (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	01/07/2020 - 30/06/2021 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	153.55	147.42	143.79
Return before operating charges and property expenses*	3.96	10.30	8.29
Operating charges ¹	(1.14)	(2.20)	(2.24)
Property expenses ¹	(0.95)	(1.97)	(2.42)
Return after operating charges and property expenses*	1.87	6.13	3.63
Distributions	(1.18)	(1.28)	(0.81)
Retained distributions on accumulation shares	1.18	1.28	0.81
Closing net asset value per share	155.42	153.55	147.42
 *after direct transaction costs of ² :	 0.97	 0.83	 0.14
Performance			
Return after charges	1.22%	4.16%	2.52%
Other Information			
Closing net asset value (£'000)	15,385	15,022	11,992
Closing number of shares	9,899,280	9,783,057	8,134,472
Operating charges ³	1.46%	1.47%	1.54%
Property expense ratio ⁴	1.21%	1.31%	1.67%
Direct transaction costs	0.63%	0.56%	0.10%
Prices			
Highest share price	155.50	153.60	147.50
Lowest share price	153.60	147.40	143.80

¹ Operating cost and property expense for the six-month period ended 31st December 2022.

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 Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)

Class D Unbundled Net Income

Accounting Period	01/07/2022 - 31/12/2022 (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	18/06/2021 - 30/06/2021 ¹ (pence per share)
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Change in Net Asset Value per Share

Opening net asset value per share	147.41	144.39	144.10
Return before operating charges and property expenses*	3.54	9.26	0.53
Operating charges ²	(1.09)	(2.14)	(0.08)
Property expenses ²	(0.90)	(1.92)	(0.08)
Return after operating charges and property expenses*	1.55	5.20	0.37
Distributions on income shares	(1.84)	(2.18)	(0.08)
Closing net asset value per share	147.12	147.41	144.39

*after direct transaction costs of:	0.93	0.81	0.14
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Performance

Return after charges	1.05%	3.60%	0.26%
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Other Information

Closing net asset value (£'000)	606	632	6
Closing number of shares	411,859	428,847	4,266
Operating charges ³	1.46%	1.47%	1.54%
Property expense ratio ⁴	1.21%	1.31%	1.67%
Direct transaction costs	0.63%	0.56%	0.10%

Prices

Highest share price	148.90	148.10	144.50
Lowest share price	147.50	144.40	144.10

¹ Class D Unbundled Net Income share class became active on 18th June 2021.

² Operating cost and property expense for the six-month period ended 31st December 2022.

³ Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)*

Class D Unbundled Net Accumulation

Accounting Period	01/07/2022 - 31/12/2022 (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	01/07/2020 - 30/06/2021 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	150.19	144.44	141.03
Return before operating charges and property expenses*	3.64	9.84	7.97
Operating charges ¹	(1.11)	(2.16)	(2.19)
Property expenses ¹	(0.92)	(1.93)	(2.37)
Return after operating charges and property expenses*	1.61	5.75	3.41
Distributions	(0.94)	(0.99)	(0.65)
Retained distributions on accumulation shares	0.94	0.99	0.65
Closing net asset value per share	151.80	150.19	144.44
 *after direct transaction costs of ² :	 0.95	 0.82	 0.14
Performance			
Return after charges	1.07%	3.98%	2.42%
Other Information			
Closing net asset value (£'000)	2,411	2,363	1,899
Closing number of shares	1,588,318	1,573,669	1,314,643
Operating charges ³	1.46%	1.47%	1.54%
Property expense ratio ⁴	1.21%	1.31%	1.67%
Direct transaction costs	0.63%	0.56%	0.10%
Prices			
Highest share price	151.90	150.20	144.50
Lowest share price	150.20	144.40	141.00

¹ Operating cost and property expense for the six-month period ended 31st December 2022.

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 Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)

Class E Institutional Gross Income

Accounting Period	01/07/2022 - 31/12/2022 (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	01/07/2020 - 30/06/2021 ¹ (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	150.68	147.41	146.20
Return before operating charges and property expenses*	3.87	10.26	8.23
Operating charges ²	(1.00)	(1.97)	(2.05)
Property expenses ²	(0.93)	(1.96)	(2.45)
Return after operating charges and property expenses*	1.94	6.33	3.73
Distributions on income shares	(2.07)	(3.06)	(2.52)
Closing net asset value per share	150.55	150.68	147.41
 *after direct transaction costs of:	 0.95	 0.83	 0.14
Performance			
Return after charges	1.29%	4.29%	2.55%
Other Information			
Closing net asset value (£'000)	33,805	35,373	32,656
Closing number of shares	22,454,984	23,476,181	22,153,015
Operating charges ³	1.31%	1.32%	1.39%
Property expense ratio ⁴	1.21%	1.31%	1.67%
Direct transaction costs	0.63%	0.56%	0.10%
Prices			
Highest share price	152.50	151.50	149.40
Lowest share price	150.80	147.50	146.20

¹ Class E Institutional Gross Income share class became active on 1st July 2020.

² Operating cost and property expense for the six-month period ended 31st December 2022.

³ Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)

Class E Institutional Gross Accumulation

Accounting Period	01/07/2022 - 31/12/2022 (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	01/07/2020 - 30/06/2021 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	156.28	149.84	146.17
Return before operating charges and property expenses*	4.00	10.45	8.16
Operating charges ¹	(1.04)	(2.01)	(2.04)
Property expenses ¹	(0.96)	(2.00)	(2.45)
Return after operating charges and property expenses*	2.00	6.44	3.67
Distributions	(1.31)	(1.52)	(0.11)
Retained distributions on accumulation shares	1.31	1.52	0.11
Closing net asset value per share	158.28	156.28	149.84
 *after direct transaction costs of ² :	 0.99	 0.85	 0.14
Performance			
Return after charges	1.28%	4.30%	2.51%
Other Information			
Closing net asset value (£'000)	137	195	242
Closing number of shares	86,259	124,526	161,344
Operating charges ³	1.31%	1.32%	1.39%
Property expense ratio ⁴	1.21%	1.31%	1.67%
Direct transaction costs	0.63%	0.56%	0.10%
Prices			
Highest share price	158.30	156.30	149.90
Lowest share price	156.30	149.80	146.10

¹ Operating cost and property expense for the six-month period ended 31st December 2022.

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 Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)

Class F Institutional Net Accumulation

Accounting Period	01/07/2022 - 31/12/2022 (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	01/07/2020 - 30/06/2021 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	152.74	146.71	143.04
Return before operating charges and property expenses*	3.69	9.96	8.08
Operating charges ¹	(1.02)	(1.97)	(2.01)
Property expenses ¹	(0.94)	(1.96)	(2.40)
Return after operating charges and property expenses*	1.73	6.03	3.67
Distributions	(1.05)	(1.19)	(0.87)
Retained distributions on accumulation shares	1.05	1.19	0.87
Closing net asset value per share	154.47	152.74	146.71
 *after direct transaction costs of ² :	 0.97	 0.83	 0.14
Performance			
Return after charges	1.13%	4.11%	2.57%
Other Information			
Closing net asset value (£'000)	2,311	2,323	2,159
Closing number of shares	1,459,969	1,520,969	1,471,785
Operating charges ³	1.31%	1.32%	1.39%
Property expense ratio ⁴	1.21%	1.31%	1.67%
Direct transaction costs	0.63%	0.56%	0.10%
Prices			
Highest share price	154.50	152.80	146.80
Lowest share price	152.80	146.70	143.10

¹ Operating cost and property expense for the six-month period ended 31st December 2022.

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 Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)*

Class G Institutional Net Income

Accounting Period	01/07/2022 - 31/12/2022 (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	01/07/2020 - 30/06/2021 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	136.10	131.77	129.23
Return before operating charges and property expenses*	3.30	8.90	7.32
Operating charges ¹	(0.90)	(1.76)	(1.81)
Property expenses ¹	(0.84)	(1.75)	(2.18)
Return after operating charges and property expenses*	1.56	5.39	3.33
Distributions on income shares	(0.95)	(1.06)	(0.79)
Closing net asset value per share	136.71	136.10	131.77
 *after direct transaction costs of ² :	 0.86	 0.74	 0.13
Performance			
Return after charges	1.15%	4.09%	2.58%
Other Information			
Closing net asset value (£'000)	118	118	430
Closing number of shares	86,379	86,379	326,105
Operating charges ³	1.31%	1.32%	1.39%
Property expense ratio ⁴	1.21%	1.31%	1.67%
Direct transaction costs	0.63%	0.56%	0.10%
Prices			
Highest share price	137.60	136.40	132.10
Lowest share price	136.20	131.80	129.30

¹ Operating cost and property expense for the six-month period ended 31st December 2022.

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 Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)*

Class H Gross Accumulation

Accounting Period	01/07/2022 - 31/12/2022 (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	01/07/2020 - 30/06/2021 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	156.76	149.17	144.21
Return before operating charges and property expenses*	4.04	10.46	8.33
Operating charges ¹	(0.45)	(0.87)	(0.94)
Property expenses ¹	(0.97)	(2.00)	(2.43)
Return after operating charges and property expenses*	2.62	7.59	4.96
Distributions	(1.92)	(2.66)	(2.12)
Retained distributions on accumulation shares	1.92	2.66	2.12
Closing net asset value per share	159.38	156.76	149.17
 *after direct transaction costs of ² :	 1.00	 0.85	 0.14
Performance			
Return after charges	1.67%	5.09%	3.44%
Other Information			
Closing net asset value (£'000)	14,670	16,540	13,559
Closing number of shares	9,204,768	10,551,189	9,089,698
Operating charges ³	0.56%	0.57%	0.64%
Property expense ratio ⁴	1.21%	1.31%	1.67%
Direct transaction costs	0.63%	0.56%	0.10%
Prices			
Highest share price	159.40	156.80	149.20
Lowest share price	156.80	149.20	144.20

¹ Operating cost and property expense for the six-month period ended 31st December 2022.

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 Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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)

Class X Accumulation

Accounting Period	01/07/2022 - 02/08/2022 ¹ (pence per share)	01/07/2021 - 30/06/2022 (pence per share)	01/07/2020 - 30/06/2021 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	133.78	140.50	137.36
Return before operating charges and property expenses*	14.80	(2.49)	7.86
Operating charges ²	(0.22)	(2.37)	(2.41)
Property expenses ²	(0.16)	(1.86)	(2.31)
Return after operating charges and property expenses*	14.42	(6.72)	3.14
Distributions	–	(0.54)	(0.46)
Retained distributions on accumulation shares	–	0.54	0.46
Closing net asset value per share	–	133.78	140.50
Last net asset value per share	148.20	–	–
 *after direct transaction costs of ³ :	 0.93	 0.79	 0.14
Performance			
Return after charges	10.78%	(4.78%)	2.29%
Other Information			
Closing net asset value (£'000)	–	–	60
Closing number of shares	–	16	42,508
Operating charges ⁴	1.66%	1.67%	1.74%
Property expense ratio ⁵	1.21%	1.31%	1.67%
Direct transaction costs	0.00%	0.56%	0.10%
Prices			
Highest share price	148.20	147.60	140.60
Lowest share price	147.60	140.50	137.40

¹ Class X Accumulation share class became inactive on 2nd August 2022.

² Operating cost and property expense for the period ended 2nd August 2022.

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 Operating charges, otherwise known as 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 OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion, when a company has invested 10% or more in other Collective Investment Schemes. 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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Statement of Total Return

(unaudited) for the period ended 31st December 2022

	£'000	2022 £'000	£'000	2021 £'000
Income				
Net capital gains		323		948
Revenue	1,503		1,222	
Expenses	(854)		(806)	
Net revenue before taxation	649		416	
Taxation	—		—	
Net revenue after taxation for the year		649		416
Total return before distributions		972		1,364
Distributions		(840)		(598)
Change in net assets attributable to shareholders from investment activities		132		766

Statement of Change in Net Assets Attributable to Shareholders

(unaudited) for the period ended 31st December 2022

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to shareholders		72,821		63,007
Amounts receivable on issue of shares	3,034		14,980	
Amounts payable on cancellation of shares	(6,598)		(6,404)	
		(3,564)		8,576
Change in net assets attributable to shareholders from investment activities		132		766
Retained distribution on accumulation shares		334		233
Closing net assets attributable to shareholders		69,723		72,582

* The opening net assets attributable to shareholders for 2022 differs to the closing position in 2021 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 2022

	2022 £'000	2021 £'000
Assets		
Fixed assets:		
Investment Properties*	59,908	60,098
Investment in Collective Investment Schemes	7,062	6,991
Current assets:		
Debtors	266	191
Cash and bank balances	2,952	6,113
Total assets	70,188	73,393
Liabilities		
Creditors:		
Distributions payable	(248)	(191)
Other creditors	(217)	(381)
Total liabilities	(465)	(572)
Net assets attributable to shareholders	69,723	72,821

* A Material Valuation Uncertainty clause has been attached to the valuation of the Spectrum properties which have been certified by the SIV. For further information refer to the 'Important Information' section on page 4.

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Cash Flow Statement

(unaudited) for the period ended 31st December 2022

	31/12/2022 £'000	30/06/2022 £'000
Cash flows from operating activities:		
Change in net assets attributable to shareholders from investment activities	132	1,947
Distributions	840	1,198
Net capital (losses)/gains:		
Non-derivative (losses)/gains	(49)	14
Immovable properties	(275)	(2,335)
(Decrease)/increase in creditors	(7)	3
Increase in debtors	(71)	(17)
Net cash inflow from operating activities	570	810
Cash flows from investing activities:		
Payments to acquire investments	(14)	(8,191)
Receipts from sales of investments	430	–
Net cash inflow/(outflow) from investing activities	416	(8,191)
Cash flows from financing activities:		
Amounts received on creations of shares	3,037	21,007
Amounts paid on cancellation of shares	(6,769)	(11,774)
Distributions paid	(443)	(970)
Bank Interest received	28	2
Net cash (outflow)/inflow from financing activities	(4,147)	8,265
Net (decrease)/increase in cash and cash equivalents in period	(3,161)	884
Cash and cash equivalents at the start of the period	6,113	5,229
Cash and cash equivalents at the end of the period	2,952	6,113

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 2022. 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 2022

First Interim Distribution Class C Unbundled Gross Income (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Income	Income Tax at 0%	Net Income	Equalisation	2022 Net Distribution Paid	2021 Net Distribution Paid
Property Revenue Stream						
1	1.0151	0.0000	1.0151	—	1.0151	0.7606
2	0.4110	0.0000	0.4110	0.6041	1.0151	0.7606
Interest Stream						
1	0.0182	0.0000	0.0182	—	0.0182	0.0000
2	0.0074	0.0000	0.0074	0.0108	0.0182	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 Accumulation Class C Unbundled Gross Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.5662	0.0000	0.5662	—	0.5662	0.2312
2	0.2318	0.0000	0.2318	0.3344	0.5662	0.2312
Interest Stream						
1	0.0190	0.0000	0.0190	—	0.0190	0.0000
2	0.0078	0.0000	0.0078	0.0112	0.0190	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 2022 (continued)

First Interim Distribution Class D Unbundled Net Income (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2022 Net Distribution Paid	2021 Net Distribution Paid
Property Revenue Stream						
1	1.0046	0.2009	0.8037	—	0.8037	0.5680
2	0.6239	0.1248	0.4991	0.3046	0.8037	0.5680
Interest Stream						
1	0.0186	0.0000	0.0186	—	0.0186	0.0000
2	0.0115	0.0000	0.0115	0.0071	0.0186	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 Accumulation Class D Unbundled Net Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.5543	0.1109	0.4434	—	0.4434	0.1792
2	0.2941	0.0588	0.2353	0.2081	0.4434	0.1792
Interest Stream						
1	0.0184	0.0000	0.0184	—	0.0184	0.0000
2	0.0098	0.0000	0.0098	0.0086	0.0184	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 2022 (continued)

First Interim Distribution Class E Institutional Gross Income (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Income	Income Tax at 0%	Net Income	Equalisation	2022 Net Distribution Paid	2021 Net Distribution Paid
Property Revenue Stream						
1	1.0263	0.0000	1.0263	—	1.0263	0.6945
2	0.5114	0.0000	0.5114	0.5149	1.0263	0.6945
Interest Stream						
1	0.0184	0.0000	0.0184	—	0.0184	0.0000
2	0.0092	0.0000	0.0092	0.0092	0.0184	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 Accumulation Class E Institutional Gross Accumulation (in pence per share)*

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.6356	0.0000	0.6356	—	0.6356	0.2868
2	0.6356	0.0000	0.6356	0.0000	0.6356	0.2868
Interest Stream						
1	0.0191	0.0000	0.0191	—	0.0191	0.0000
2	0.0191	0.0000	0.0191	0.0000	0.0191	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 2022 (continued)

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

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.6216	0.1243	0.4973	—	0.4973	0.2263
2	0.6216	0.1243	0.4973	0.0000	0.4973	0.2263
Interest Stream						
1	0.0187	0.0000	0.0187	—	0.0187	0.0000
2	0.0187	0.0000	0.0187	0.0000	0.0187	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 Distribution Class G Institutional Net Income (in pence per share)*

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2022 Net Distribution Paid	2021 Net Distribution Paid
Property Revenue Stream						
1	0.5539	0.1108	0.4431	—	0.4431	0.2002
2	0.5539	0.1108	0.4431	0.0000	0.4431	0.2002
Interest Stream						
1	0.0166	0.0000	0.0166	—	0.0166	0.0000
2	0.0166	0.0000	0.0166	0.0000	0.0166	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 2022 (continued)

First Interim Accumulation Class H Gross Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.9370	0.0000	0.9370	—	0.9370	0.5714
2	0.4222	0.0000	0.4222	0.5148	0.9370	0.5714
Interest Stream						
1	0.0188	0.0000	0.0188	—	0.0188	0.0000
2	0.0085	0.0000	0.0085	0.0103	0.0188	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 Accumulation Class X Accumulation (in pence per share)**

Group 1: Shares purchased prior to 1st July 2022

Group 2: Shares purchased on or after 1st July 2022 to 30th September 2022

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.0000	0.0000	0.0000	—	0.0000	0.1055
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.1055
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 2022 (continued)

Second Interim Distribution Class C Unbundled Gross Income (in pence per share)

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Income	Income Tax at 0%	Net Income	Equalisation	2023 Net Distribution Paid	2022 Net Distribution Paid
Property Revenue Stream						
1	0.9433	0.0000	0.9433	—	0.9433	0.8482
2	0.5351	0.0000	0.5351	0.4082	0.9433	0.8482
Interest Stream						
1	0.0710	0.0000	0.0710	—	0.0710	0.0005
2	0.0403	0.0000	0.0403	0.0307	0.0710	0.0005
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 Accumulation Class C Unbundled Gross Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
Property Revenue Stream						
1	0.5195	0.0000	0.5195	—	0.5195	0.4192
2	0.3351	0.0000	0.3351	0.1844	0.5195	0.4192
Interest Stream						
1	0.0703	0.0000	0.0703	—	0.0703	0.0002
2	0.0453	0.0000	0.0453	0.0250	0.0703	0.0002
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 2022 (continued)

Second Interim Distribution Class D Unbundled Net Income (in pence per share)

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Accumulation	Income Tax at 20%	Net Income	Equalisation	2023 Net Distribution Paid	2022 Net Distribution Paid
Property Revenue Stream						
1	1.1775	0.2355	0.9420	—	0.9420	0.5517
2	0.3274	0.0655	0.2619	0.6801	0.9420	0.5517
Interest Stream						
1	0.0761	0.0000	0.0761	—	0.0761	0.0002
2	0.0212	0.0000	0.0212	0.0549	0.0761	0.0002
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 Accumulation Class D Unbundled Net Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
Property Revenue Stream						
1	0.5101	0.1020	0.4081	—	0.4081	0.3279
2	0.3246	0.0649	0.2597	0.1484	0.4081	0.3279
Interest Stream						
1	0.0697	0.0000	0.0697	—	0.0697	0.0002
2	0.0444	0.0000	0.0444	0.0253	0.0697	0.0002
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 2022 (continued)

Second Interim Distribution Class E Institutional Gross Income (in pence per share)

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Income	Income Tax at 0%	Net Income	Equalisation	2023 Net Distribution Paid	2022 Net Distribution Paid
Property Revenue Stream						
1	0.9569	0.0000	0.9569	—	0.9569	0.8370
2	0.5086	0.0000	0.5086	0.4483	0.9569	0.8370
Interest Stream						
1	0.0682	0.0000	0.0682	—	0.0682	0.0002
2	0.0363	0.0000	0.0363	0.0319	0.0682	0.0002
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 Accumulation Class E Institutional Gross Accumulation (in pence per share)*

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
Property Revenue Stream						
1	0.6022	0.0000	0.6022	—	0.6022	0.4845
2	0.6022	0.0000	0.6022	0.0000	0.6022	0.4845
Interest Stream						
1	0.0564	0.0000	0.0564	—	0.0564	0.0002
2	0.0564	0.0000	0.0564	0.0000	0.0564	0.0002
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 2022 (continued)

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

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
Property Revenue Stream						
1	0.5790	0.1158	0.4632	—	0.4632	0.3788
2	0.5790	0.1158	0.4632	0.0000	0.4632	0.3788
Interest Stream						
1	0.0708	0.0000	0.0708	—	0.0708	0.0002
2	0.0708	0.0000	0.0708	0.0000	0.0708	0.0002
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 Distribution Class G Institutional Net Income (in pence per share) *

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2023 Net Distribution Paid	2022 Net Distribution Paid
Property Revenue Stream						
1	0.5320	0.1064	0.4256	—	0.4256	0.3490
2	0.5320	0.1064	0.4256	0.0000	0.4256	0.3490
Interest Stream						
1	0.0651	0.0000	0.0651	—	0.0651	0.0002
2	0.0651	0.0000	0.0651	0.0000	0.0651	0.0002
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 2022 (continued)

Second Interim Accumulation Class H Gross Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
Property Revenue Stream						
1	0.8963	0.0000	0.8963	—	0.8963	0.7680
2	0.4013	0.0000	0.4013	0.4950	0.8963	0.7680
Interest Stream						
1	0.0686	0.0000	0.0686	—	0.0686	0.0002
2	0.0307	0.0000	0.0307	0.0379	0.0686	0.0002
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 Accumulation X Accumulation (in pence per share) **

Group 1: Shares purchased prior to 1st October 2022

Group 2: Shares purchased on or after 1st October 2022 to 31st December 2022

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2023 Net Accumulation	2022 Net Accumulation
Property Revenue Stream						
1	0.0000	0.0000	0.0000	—	0.0000	0.2629
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.2629
Interest Stream						
1	0.0000	0.0000	0.0000	—	0.0000	0.0002
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0002
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 shares for this period.

** There were no current accumulations as the share class became inactive on 2nd August 2022.

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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 £2,000.

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.



investment architecture

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