

## Fund Update - 31 December 2023

### Important information: Financial Promotions have been replaced with Fund Updates, due to the termination of the fund

Thesis Unit Trust Management Limited (Tutman) as the authorised fund manager (AFM) confirmed on 30th October 2023 that a decision has been made to terminate the Funds. The termination of the Funds will formally commence from 1st December 2023. This decision has been made following consultation with the Funds' Depositary (NatWest Trustee and Depositary Services Limited) and Property Investment Manager (Hearthstone Asset Management Limited).

A copy of the formal Investor Notice sent to investors on 30th October can be downloaded from [www.homeinvestor.fund](http://www.homeinvestor.fund). This gives more background on the decision to terminate, an initial capital distribution from available cash, and the expected timescales to complete the sale of the portfolio.

Fund prices will continue to be calculated and published daily, and we will provide regular updates on progress via this document and on the website [www.homeinvestor.fund](http://www.homeinvestor.fund).

### Fund v. Performance Comparator

Cumulative total return (%) over period:

	1m	3m	6m	1y	3y	5y
Feeder	0.24	0.24	-2.13	-1.73	4.57	6.88
C Gross Acc	0.20	0.20	-2.10	-1.41	5.44	8.35
C Gross Inc	0.24	0.27	-2.04	-1.97	4.86	-
D Net Acc	0.17	0.17	-2.25	-1.61	4.74	7.30
D net Inc	0.12	0.06	-2.38	-2.56	3.42	-
E Gross Acc	0.18	0.25	-2.02	-1.21	5.88	8.98
E Gross Inc	0.28	0.32	-1.96	-1.82	5.27	-
F Net Acc	0.20	0.20	-2.12	-1.48	5.19	8.03
G Net Inc	0.23	0.19	-2.16	-1.81	4.86	7.61
e.surv Acadata House Price Index	0.15	-0.60	-0.70	-3.51	8.06	18.77

Discrete total return (%) 12 months ending:

	Dec 18	Dec 19	Dec 20	Dec 21	Dec 22	Dec 23
Feeder	2.18	1.33	0.87	3.03	3.29	-1.73
C Gross Acc	2.69	1.70	1.04	3.23	3.60	-1.41
C Gross Inc	-	-	-	3.24	3.62	-1.97
D Net Acc	2.35	1.44	0.99	3.02	3.34	-1.61
D net Inc	-	-	-	3.05	2.99	-2.56
E Gross Acc	2.79	1.81	1.10	3.39	3.67	-1.21
E Gross Inc	-	-	-	3.37	3.73	-1.82
F Net Acc	2.47	1.63	1.05	3.25	3.41	-1.48
G Net Inc	2.49	1.55	1.06	3.21	3.46	-1.81
e.surv Acadata House Price Index	0.97	1.62	8.16	5.83	5.82	-3.51

Performance based on prevailing single price\*, net of charges, in GBP assuming income and capital distributions reinvested net or gross of basic rate income tax according to share class. Source of all data: Hearthstone Asset Management Limited and e.surv 31/12/2023 unless stated otherwise.

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

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

### Property Investment Manager's commentary

Following the termination of the Fund, a first capital distribution has been made. The capital distributions (payments in cash to investors) are administered by simultaneously reducing the price of each share held by an equivalent amount. Capital distributions are planned on a quarterly basis subject to the available cash in the Fund which is generated from a programme of property disposals.

The first capital distribution, funded by £5.7m cash held in the Fund resulted in a share price reduction of c. 9%. This reduction was effective on Dec 4th (Dec 5th for the Feeder Fund) whilst the capital distribution was made on Dec 12th. The capital distribution rates in pence per share for each share class can be found on the back page of this document.

In December, the Standing Independent left values unchanged for all but one of the Fund's properties - a house in Stowmarket, Suffolk which was reduced by £5,000 to £260,000. The Fund's property portfolio valuations are down by just 0.88% over the last 12 months, versus the e.surv Acadata index reporting a fall of 3.51% in house prices.

Rent collection from occupied properties remained strong at 97% in December. Void loss was at 10.7% of potential gross rent for the month, and this will inevitably increase over the coming months as more vacant properties will be disposed of.

One property sale completed in December for a price of £275,000. At the time of writing, a further 15 properties for a total of £4.08 million are currently progressing through conveyancing, and 7 are being marketed for sale at a total of £2.15 million. Another 41 properties are in the process of being readied for marketing as they become vacant. The strategy, for now, remains to dispose of vacant properties where valuations close to investment values are being achieved.

\* The SIV attached a material valuation uncertainty clause to the Spectrum flats in Manchester in April 2021 following a failed EWS1 (external wall safety) assessment. These assessments were introduced by the government to improve fire safety of high-rise buildings including external cladding. As there is currently no clarity as to potential cost and timing of any remedial works, or whether this may require funding from leaseholders, the clause remains in place. Consequently, the SIV states less certainty and a higher degree of caution should be attached to its valuation of these units, and that it may take longer than the usual 3-6 month marketing period should a decision be made to sell them individually. However, the original developer of the flats has recently signed the Government's Buildings Safety Repairs pledge and stated its intent to work with the site's Residents Management Company to agree a schedule of remediation works. All residents are aware of the situation and additional fire safety measures have been implemented. The 17 flats held by the fund, of which 12 are in a building below 18 metres, are part of a larger development of c. 600 apartments. Since a Material Valuation Uncertainty clause has been attached to these properties, the 30th June 2023 financial statements were qualified.

### Portfolio Facts

Fund asset allocation		Top 10 property holdings		Property portfolio metrics	
Cash (Capital and Income)	1.35%	Holding	Units	Valuation	
Property - North West	10.11%	Quadrant Court, Wembley, London HA9	22	£7,385,000	Flats 83
Property - North East	0.00%	Wickhurst Green, Horsham, RH12	13	£4,510,000	Terraced 65
Property - Yorks & Humber	4.03%	The Limes, Nottingham, NG8	18	£4,280,000	Semi 58
Property - South East	23.65%	Crocketts Lane, Smethwick, B66	13	£3,285,000	Detached 11
Property - South West	10.73%	Whittingham Place, Preston, PR3	13	£2,865,000	
Property - Wales	0.00%	King Georges Park, Rowhedge, CO5	8	£2,705,000	Total number of properties 217
Property - Scotland	2.30%	*Spectrum, Blackfriars Road, Manchester M3	17	£2,685,000	
Property - East of England	11.47%	Rea Road, Northfield, Birmingham. B31	14	£1,905,000	Average property valuation £263,601
Property - East Midlands	10.08%	Portland View, Bristol, BS2	6	£1,750,000	
Property - West Midlands	11.16%	Willow Grange, Doncaster, DN4	8	£1,670,000	
Property - London	15.12%	* See commentary above.			

### Portfolio Activity

Property disposals and Liquidity			Capital distributions since 01/12/2023				
	Value	Number	Calculation	Payment date	Total distribution	This distribution*	Distributed to date*
Properties owned at start of month	£57,470,000	218	04/12/2023	12/12/2023	£5,700,000	9.14%	9.14%
Properties on the market	£2,150,000	7					
Properties Sold Subject to Contract	£4,079,500	15					
Sales completed this month	£275,000	1					
Properties remaining	£57,465,000	217					
	Value						
Capital cash held at start of month	£5,861,154						
Net property sales this month	£268,426						
Capital distributed this month	£5,700,000						
Capital cash held at end of month	£403,351						

\* Distributions as a percentage of the £62.37m bid-value of the Fund on 30/11/2023  
See overleaf for the latest distribution rates in pence per share.

**Fund Update - 31 December 2023**
**Fund Codes**

Share class	Sedol	ISIN	Citicode	MEXID
Feeder	B95V2K4	GB00B95V2K41	I3HL	8TRES
Class C Acc	B95VYK8	GB00B95VYK84	I3HM	8THEAP
Class C Inc	BLHXV50	GB00BLHXV501	QZF4	-
Class D Acc	B960879	GB00B9608795	I3HM	8TCLEA
Class D Inc	BLHXV61	GB00BLHXV618	QZF5	-
Class E Acc	B6X90Z0	GB00B6X90Z05	112I	8TSIDE
Class E Inc	BLHXV72	GB00BLHXV725	QZF6	-
Class F Acc	B54N2C5	GB00B54N2C52	112J	8TIDEN
Class G Inc	B76WYF7	GB00B76WYF75	112K	8TDENT

'Acc' = Accumulation share class, 'Inc' = Income share class

**Month-end share price**

Share class	ISIN Code	Price	Pricing basis
Feeder	GB00B95V2K41	£ 1.329	Bid
Class C Acc	GB00B95VYK84	£ 1.393	Bid
Class C Inc	GB00BLHXV501	£ 1.310	Bid
Class D Acc	GB00B9608795	£ 1.357	Bid
Class D Inc	GB00BLHXV618	£ 1.292	Bid
Class E Acc	GB00B6X90Z05	£ 1.421	Bid
Class E Inc	GB00BLHXV725	£ 1.327	Bid
Class F Acc	GB00B54N2C52	£ 1.383	Bid
Class G Inc	GB00B76WYF75	£ 1.213	Bid

**Income Distributions**

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

Income is reinvested into the Fund for Accumulation share classes and made as a cash distribution for Income share classes. The latest income distributions are:

Share class	ISIN Code	Accounting date	Pence per share	Payment date
Feeder	GB00B95V2K41	30/09/2023	0.4453	30/11/2023
Class C Acc	GB00B95VYK84	30/09/2023	0.6126	30/11/2023
Class C Inc	GB00BLHXV501	30/09/2023	1.0458	30/11/2023
Class D Acc	GB00B9608795	30/09/2023	0.4418	30/11/2023
Class D Inc	GB00BLHXV618	30/09/2023	0.8133	30/11/2023
Class E Acc	GB00B6X90Z05	30/09/2023	0.6873	30/11/2023
Class E Inc	GB00BLHXV725	30/09/2023	1.0518	30/11/2023
Class F Acc	GB00B54N2C52	30/09/2023	0.3208	30/11/2023
Class G Inc	GB00B76WYF75	30/09/2023	0.4462	30/11/2023

**Capital Distributions**

Whilst the Fund is winding down and properties sold, capital distributions will be made to investors. It is intended these distributions are made quarterly if the Fund has more than 5% liquid cash. The latest capital distribution rates and dates are shown below.

Share class	ISIN Code	Calculation date	Pence per share	Payment date
Feeder	GB00B95V2K41	05/12/2023	12.2256	12/12/2023
Class C Acc	GB00B95VYK84	04/12/2023	13.9993	12/12/2023
Class C Inc	GB00BLHXV501	04/12/2023	13.1254	12/12/2023
Class D Acc	GB00B9608795	04/12/2023	13.6484	12/12/2023
Class D Inc	GB00BLHXV618	04/12/2023	12.9733	12/12/2023
Class E Acc	GB00B6X90Z05	04/12/2023	14.2734	12/12/2023
Class E Inc	GB00BLHXV725	04/12/2023	13.2945	12/12/2023
Class F Acc	GB00B54N2C52	04/12/2023	13.9007	12/12/2023
Class G Inc	GB00B76WYF75	04/12/2023	12.1932	12/12/2023

**Key fund information**

Fund name: **TM home investor fund (a subfund of the TM Hearthstone ICVC)**

Performance comparator: **e.surv Acadata House Price Index**

Fund launch date: **25/07/2012**

Fund size (Bid-pricing basis): **£56.81 million**

Primary asset class: **UK Residential Property**

**Management & Administration**

Fund Manager: **Stuart Springham, MRICS**

Chief Investment Officer: **Andrew Smith, FRICS**

Investment Committee: **Cedric Bucher**  
**Andrew Smith, FRICS**  
**Stuart Springham, MRICS**  
**Darren Stent**

Property Investment Manager and Distributor: **Hearthstone Asset Management Limited**  
**29 Throgmorton Street**  
**London**  
**EC2N 2AT**  
**020 3301 1330**  
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Authorised Corporate Director: **Thesis Unit Trust Management Limited**  
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**01243 531234**  
**www.tutman.co.uk**

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

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

Independent valuer: **CBRE Limited**

Auditor: **Grant Thornton UK LLP**

**Important information**

This document is for information only as the Fund is now closed pending termination and properties are being sold in order to distribute the proceeds to investors. Residential property values are affected by factors such as interest rates, economic growth, fluctuations in property yields and tenant default. Property investments are relatively illiquid compared to bonds and equities, and can take a significant amount of time to trade. Tax treatment depends on the individual circumstances of each investor and may be subject to change in future.

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

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