

## Monthly Fund Update: February 2024

### 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 had been made to terminate the Funds. The termination of the Funds formally commenced from 1st December 2023. This decision was 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 to 29/02/2024

Cumulative total return (%) over period:

Discrete total return (%) 12 months ending:

	1m	3m	6m	1y	3y	5y
Feeder	0.23	0.16	0.09	-1.87	4.19	6.56
C Gross Acc	0.22	0.20	0.20	-1.60	5.08	8.12
C Gross Inc	0.15	0.20	0.16	-1.55	4.55	-
D Net Acc	0.22	0.17	0.04	-1.80	4.45	7.07
D net Inc	0.08	0.06	-0.14	-2.02	3.07	-
E Gross Acc	0.28	0.25	0.32	-1.39	5.60	8.75
E Gross Inc	0.23	0.33	0.30	-1.32	4.95	-
F Net Acc	0.14	0.13	0.07	-1.74	4.75	7.72
G Net Inc	0.17	0.20	0.01	-1.69	4.40	7.31
e.surv Acadata House Price Index	0.83	0.50	-0.45	-2.88	5.42	18.44

	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	5.71	-3.87

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 29/02/2024 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.**

### Portfolio Facts at 29/02/2024

Fund asset allocation	Top 10 property holdings	Property portfolio metrics
Cash (Capital and Income) 3.47%	Holding Units Valuation	Flats 81
Property - North West 10.16%	Quadrant Court, Wembley, London HA9 22 £7,180,000	Terraced 64
Property - North East 0.00%	Wickhurst Green, Horsham, RH12 13 £4,510,000	Semi 56
Property - Yorks & Humber 4.05%	The Limes, Nottingham, NG8 18 £4,320,000	Detached 11
Property - South East 23.14%	Crocketts Lane, Smethwick, B66 13 £3,285,000	
Property - South West 10.77%	Whittingham Place, Preston, PR3 13 £2,865,000	Total number of properties 212
Property - Wales 0.00%	King Georges Park, Rowhedge, CO5 8 £2,705,000	
Property - Scotland 1.83%	*Spectrum, Blackfriars Road, Manchester M3 17 £2,685,000	
Property - East of England 10.86%	Rea Road, Northfield, Birmingham. B31 13 £1,770,000	Average property valuation £262,829
Property - East Midlands 9.89%	Portland View, Bristol, BS2 6 £1,750,000	
Property - West Midlands 10.99%	Willow Grange, Doncaster, DN4 8 £1,670,000	
Property - London 14.84%	* See commentary above.	

### Property Investment Manager's commentary

The independent valuer, CBRE Limited, increased its valuation of the property portfolio by £20,000 at the end of February. Whilst most property valuations were unchanged, 5 were increased in value and one reduced. The annual change in the Fund's valuations is -1.24 % to the end of February versus the e.surv Acadata House Price Index at -2.9%. Please note that in the tables above, the individual share class performance for periods 1 year and longer include a one-off reduction of 2.5% due to the Fund swinging to Bid-basis pricing in July 2023.

Rent collection from occupied properties was 96% in February. Void loss was 9.7% of potential gross rent for the month, but this will increase over the coming months as more properties become vacant pending sale.

Following commencement of the termination of the Fund in December, properties are being sold to raise cash to distribute to investors. These capital distributions are planned to be made on the quarterly income payment dates shown overleaf if the Fund holds at least 5% cash, and will be administered by simultaneously reducing the price of each share held by an amount equivalent to the payment. The first capital distribution was made on 12th December 2023 from £5.7m cash held in the Fund. The next capital distribution is expected to be made in May given the timescales for property sales to complete.

4 property sales completed in February totalling £968,000; another completed on 11th March for £332,500. Currently (14th March), 19 properties are sold subject to contract (SSTC) for just under £5.1 million – 2 of these scheduled to complete by the end of March. Another 22 are on the market for c. £6.8m, and another 5 or 6 expected to go onto the market by the end of March. To date, an average of 99.7% of the CBRE valuation has been achieved on completed property sales and those SSTC. The Fund started the termination process with 218 properties, over 130 of which are in its 'top 10' holdings shown above where multiple properties are held on the same site and need to be drip-fed onto the market to reduce the risk of diluting the potential sale price. By year-end we aim to have marketed over 80% of the portfolio, and to have completed sales on approximately 100 properties.

\* 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 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.

### Latest Portfolio Disposal Progress to 14/03/2024

Property disposals and Liquidity	Capital distributions since 01/12/2023
Properties owned at 01/12/2023	Calculation 04/12/2023
Sales completed since 01/12/2023	Payment date 12/12/2023
Properties remaining at 14/03/2024	Total distribution £5,700,000
On the market	This distribution* 9.14%
Sold Subject to Contract	Distributed to date* 9.14%
Value	
Capital cash held at 01/12/2023	
Net property sales since 01/12/2023	
Capital distributed to date	
Capital cash at 14/03/2024	

\* 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

### 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	B6X9020	GB00B6X90205	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	£ 1.328	Bid
Class C Acc	GB00B95VYK84	£ 1.393	Bid
Class C Inc	GB00BLHXV501	£ 1.298	Bid
Class D Acc	GB00B9608795	£ 1.357	Bid
Class D Inc	GB00BLHXV618	£ 1.282	Bid
Class E Acc	GB00B6X90205	£ 1.422	Bid
Class E Inc	GB00BLHXV725	£ 1.316	Bid
Class F Acc	GB00B54N2C52	£ 1.382	Bid
Class G Inc	GB00B76WYF75	£ 1.207	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	31/12/2023	0.6174	29/02/2024
Class C Acc	GB00B95VYK84	31/12/2023	0.7389	29/02/2024
Class C Inc	GB00BLHXV501	31/12/2023	1.1467	29/02/2024
Class D Acc	GB00B9608795	31/12/2023	0.5944	29/02/2024
Class D Inc	GB00BLHXV618	31/12/2023	0.9244	29/02/2024
Class E Acc	GB00B6X90205	31/12/2023	0.8122	29/02/2024
Class E Inc	GB00BLHXV725	31/12/2023	1.1615	29/02/2024
Class F Acc	GB00B54N2C52	31/12/2023	0.6513	29/02/2024
Class G Inc	GB00B76WYF75	31/12/2023	0.5713	29/02/2024

### 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 on the income distribution dates shown above 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	GB00B6X90205	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): **£56.59 million at 29/02/2024**

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**  
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**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).