

TM Hearthstone ICVC

Interim Report & Accounts
(unaudited) for the period ended 31st December 2021



THEISIS 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.

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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 the 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
W. D. Prew - 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"). W. D. Prew is a Director of Indos Financial Limited, the primary business of which is the provision of Alternative Investment Fund Managers Directive independent depositary services to Alternative Investment Funds. Indos Financial Limited is not appointed as depositary on any alternative investment funds managed by the Authorised Corporate Director.

Depositary:

NatWest Trustee and Depositary 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

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Report of the Authorised Corporate Director (“ACD”)

(unaudited) for the period ended 31st December 2021

Thesis Unit Trust Management Limited (the “ACD”) is pleased to present the ACD’s Interim Report & Accounts for TM Hearthstone ICVC (the “Company”) for the period ended 31st December 2021.

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 69O 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, mixadjusted 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.

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Report of the Authorised Corporate Director (“ACD”)

(unaudited) for the period ended 31st December 2021 (continued)

Important Information

The Valuation of investment property is on the basis of:

- Aggregate Market Value subject to any tenancies in existence at the valuation date.
- Aggregate Market Value on the special assumption of vacant possession at the valuation date.

The Standing Independent Valuers’ (SIV) method of valuation in providing their opinion of Market Value is the comparative method. The SIV compile comparables on the properties on a monthly basis and based upon these, with particular reference to any new sales completed, value each individual property.

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 non-COVID-19 related reasons which are explained in further detail below. The 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, 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. We will review the situation closely each month and when we have clearer guidance, we will consider the best course of action pertaining to our valuation.

In the absence of market information, such as proceeds achieved from sales of similar properties with fire safety defects in the area, the Standing Independent Valuer 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.

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.

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Report of the Authorised Corporate Director (“ACD”)

(unaudited) for the period ended 31st December 2021 (continued)

Valuation assumptions

Capital values

The Valuation has been prepared on the basis of “Market Value” which is defined in the Red Book as:

"The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation nor for taxation, which might arise in the event of a disposal. No account has been taken of any intercompany leases or arrangements, nor of any mortgages, debentures or other charge. No account has been taken of the availability or otherwise of capital based Government or European Community grants.

We would however draw your attention to the fact that the Material Valuation Uncertainty clause has been attached in respect of the Spectrum Apartments, which is explained in further detail above.

It has been estimated that the remediation costs for the entire Spectrum development is in the region of £70m, however, at present it is not possible to allocate a proportion of these costs to the 17 flats held by the TM home investor fund given that there are a number of unknown outcomes/ factors including:

- Possible changes to Government guidance and legislation.
- Changes to remediation cost estimates once works are underway.
- Whether claims on insurance policies are successful and to what degree.
- The extent of funding that could be received from the Buildings Safety Fund.
- What actions are taken against the developer, whether these are successful and to what extent.

Following an announcement from the Government that EWS1 forms should not be requested for buildings below 18 metres, and given that 12 out of 17 flats owned by the fund fall in the category of low-rise blocks, the costs that should be allocated to the fund cannot be reliably estimated.

Moreover, there is currently no additional information that provides any greater degree of clarity to enable an estimate of a write-down to the Spectrum Apartments values held by the fund, nor to enable management to make a reliable provision for potential costs.

Management and the SIV have concluded that to provide an arbitrary quantification of the impact of costs to the market value of properties is not appropriate given the absence of comparable market transactions in 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 2022

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Report of the Investment Managers

(unaudited) for the period ended 31st December 2021

Investment Report - Hearthstone Asset Management Limited

1. Residential Market

After a turbulent period where housing supply, transaction activity and patterns of demand were disrupted by lockdowns, government stimulus packages and lifestyle changes, the market is now stabilising. While the House Price Indices recorded significant and varying increases in the period to December 2021, it seems likely that 2022 will see a reversion to more normal transaction levels, and moderating house price growth.

Mortgage approvals have already fallen back to pre-pandemic levels, and with the current concerns about inflation the main uncertainty is around the pace of interest rate rises. The Bank of England will seek to balance its objective to control inflation against the risk of choking the recovery. While households' costs outpace earnings growth, this will also affect affordability for both buyers and renters.

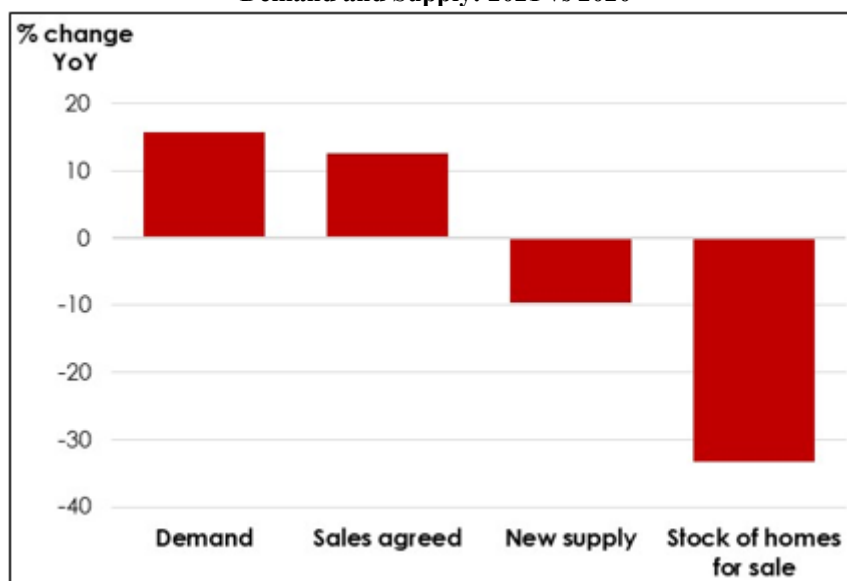
The scale and pace of anticipated interest rate rises are unlikely to put households' finances under undue stress, particularly as the proportion of fixed rate mortgages has risen steadily in recent years, from 33% five years ago to 81% in Q3 2021. Forty seven percent of these mortgages are fixed for five years. This will cushion the effects of higher borrowing costs, and points to a soft landing in the mainstream market.

The Bank of England has proposed relaxing its current affordability stress tests for borrowers, but lenders would still be required to apply a 15% cap on lending at income ratios of 4.5 or more. This will limit the effect of any such change. For investors, the impact of rising interest rates and the impending withdrawal of Help to Buy support for first time buyers has the potential to increase tenant demand, fuelling rental growth, even if current mortgage regulations are softened.

The housing market is continuing to reflect changes in working patterns, with increased home and hybrid working supporting demand for homes with more space, in more affordable areas, and particularly in locations with attractive outdoor leisure opportunities, such as greenspace or coastline. This is being reflected by stronger house price growth where these criteria are met. Again, this is likely to be a transitional effect, and while it seems likely that a measure of hybrid working will remain beyond the pandemic, a new balance will be found.

For 2021 as a whole, increased demand coincided with diminished supply - the latter driven by a combination of labour and materials shortages in the construction sector, and a decline in the volume of second-hand homes being placed on the market as government stimulus packages were withdrawn. This imbalance has supported continuing price inflation and will continue to support prices in the months ahead.

Demand and Supply: 2021 vs 2020



Source: Hometrack

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Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

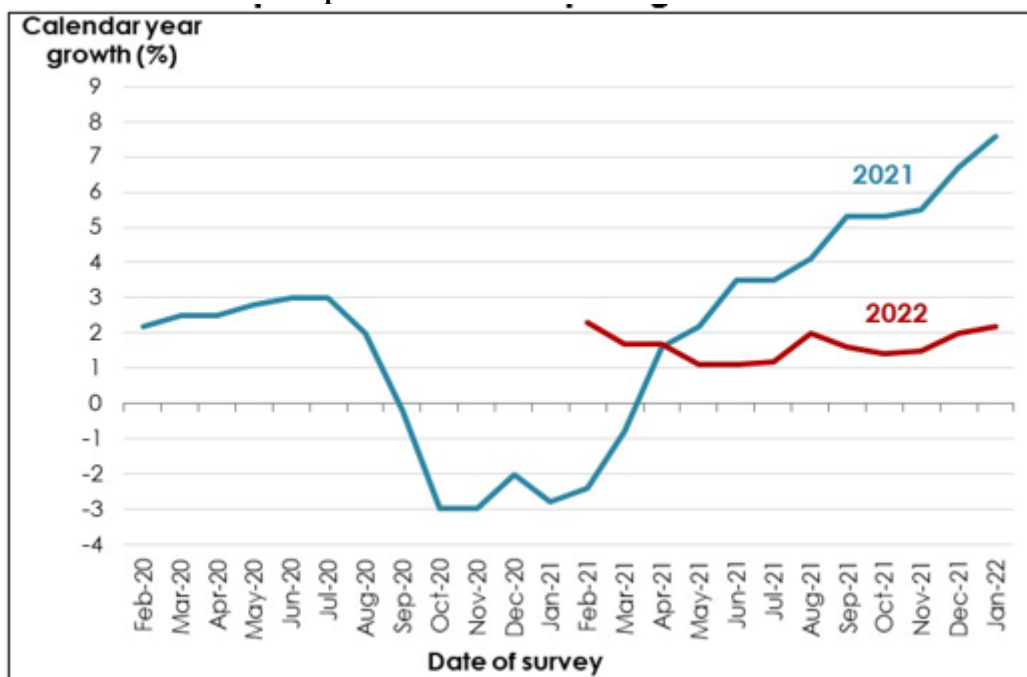
Investment Report - Hearthstone Asset Management Limited (continued)

1. Residential Market (continued)

The government has announced that house builders will be liable to pay for remediation of unsafe cladding identified after the Grenfell fire. The scale of financial provision needed is likely to divert resources away from new development, which may affect new supply. It could, however, increase the appeal of institutional funding for new schemes.

The volatile market backdrop during the pandemic translated into wild swings in forecasters' expectations of house price growth for 2021, captured in the Treasury's monthly survey. Forecasts for 2022, however, have so far been quite stable, pointing to a year of much more subdued price increases.

Consensus Expectations of House Price Growth: 2021 and 2022



Source: HM Treasury Comparison of Independent Forecasts, *Hearthstone*, January 2022

House Price Indices have been volatile over the past year as buyer behaviour changed due to the pandemic and Stamp Duty Land Tax (SDLT) holidays. Those based on Land Registry data, such as e.surv Acadata which is used by the Company as a comparator, have been especially volatile because of delays in completed transactions being filed at Land Registry. In a recent report, e.surv Acadata disclosed that c. 400,000 of the c. 500,000 housing transactions that have occurred since June 2021 were 'missing' from their House Price Index as they had not yet been processed by Land Registry. We expect to see further volatility and revisions to the e.surv Acadata Index over the coming months and that a true picture of average transaction prices will not become evident until the outstanding data is processed by Land Registry.

The structural undersupply of good quality rented accommodation continues to support rental levels, and the imbalance between demand and supply is likely to be persistent. Although large institutional investors have entered the sector, increasing the supply of build-to-rent homes (albeit mainly in large apartment blocks) this has not been enough to offset the withdrawal of large numbers of smaller landlords.

Coupled with rising demand, the supply shortfall is driving stronger rental value growth, with the ONS Index of average rents showing a general pick-up during the quarter, with the notable exception of London. Demand in London has been significantly affected by changed working patterns resulting from the pandemic, and by reduced immigration.

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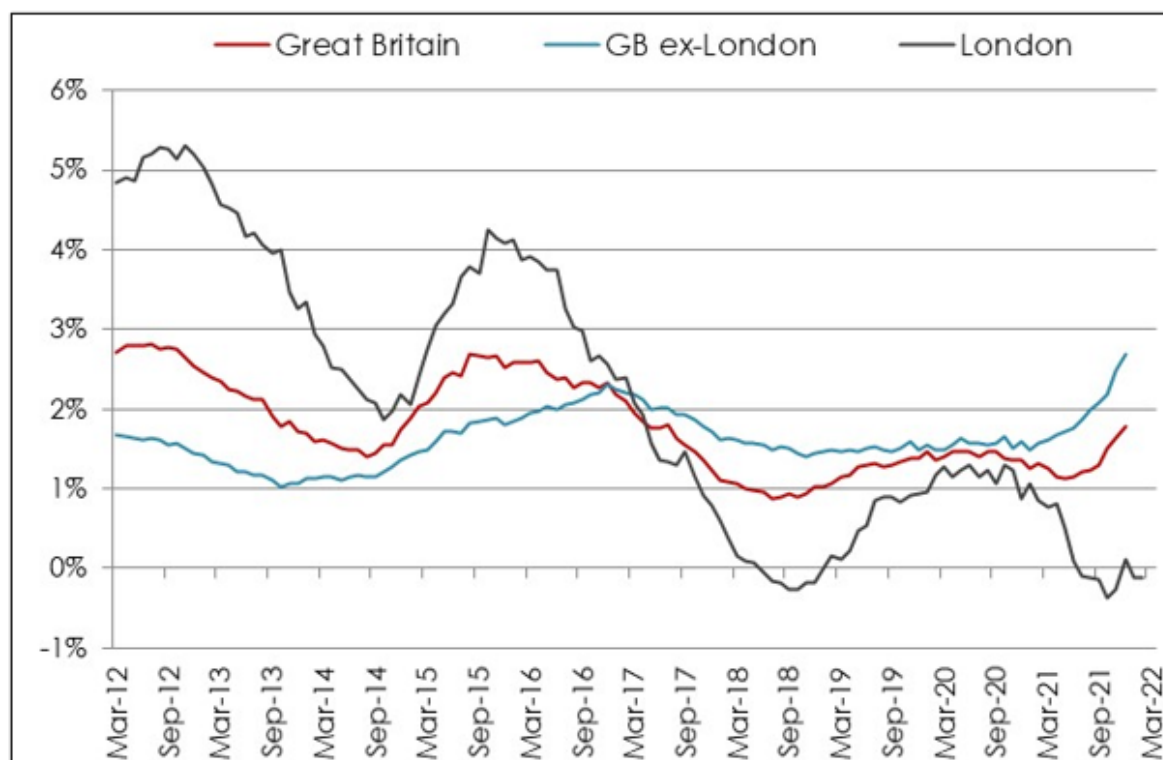
Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

1. Residential Market (continued)

Annual Change in Private Rents



Source: ONS; Hearthstone, January 2022

However, this is only part of the story, as evidence from new lettings from sources such as Zoopla, Homelet and some of the largest letting agents suggests average year-on-year increases in rental levels are now running in the 7-8% range. There are signs of renewed rental demand for inner-city apartments, which is starting to nudge rental levels upwards in some areas that had been left behind as renters' preferences shifted. Rents across the Company's property portfolio has grown by 1.9% year to date, despite our suspension of rent reviews due to COVID-19 (which recommenced in July 2021), and the market as a whole has continued averaging 1.6% year to date according to the Office for National Statistics (ONS).

2. Company Performance

The Company 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 Company 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 Company is not constrained by it.

The Property Investment Manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional stock selection to build a portfolio of assets reflecting the distribution of mainland UK housing stock.

These properties are let under Assured Shorthold Tenancy agreements (AST), corporate lets and a small number of leaseback agreements to housebuilders. 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. Although 21 units were acquired in this reporting period, the Company has received significant net inflows over recent months giving it a healthy cash position, and further potential acquisitions being sought to deploy this.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

2. Company Performance (continued)

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 2022 with a small number of further sales, the objective of further improving performance.

Close attention was also paid to asset management in particular occupancy and rent collection after COVID-19. Occupancy of the Company's property portfolio on 1st July 2021 was c. 99% and remained consistently above 97% until the acquisition of a number of units in November 2021 where it fell to c. 94% but increased to c. 96% as these units started to let.

Following a review of the Company's Property Management contract, Connells Group was appointed as Property Manager to replace Touchstone on 1st November 2020. One of their main tasks in 2021 was to monitor capital expenditure within the Company and ensure that costs are appropriate for both the tenants and the investors. This has caused the net yield to increase materially at property level during this reporting period with no impact on tenant satisfaction or tenancy lengths. We will continue to closely monitor this to ensure we continue to meet both tenant and investor needs.

The Company's performance as at 31st December 2021 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 dual pricing basis on 10th April 2015.

Tables 1a and 1b: Company Performance to 31st December 2021 by Share Class

1a. Accumulation Classes

	Class C	Class D	Class E	Class F	Class H	Class X	Feeder
1 month	0.27%	0.20%	0.33%	0.27%	0.39%	0.21%	0.28%
3 months	0.94%	0.89%	1.06%	1.01%	1.19%	0.85%	0.99%
6 months	1.76%	1.66%	1.87%	1.77%	2.28%	1.56%	1.78%
1 year	3.23%	3.02%	3.39%	3.25%	4.16%	2.88%	3.03%
3 years	6.08%	5.53%	6.41%	6.03%	9.00%	5.08%	5.30%
Launch	52.02%	48.59%	54.4.9%	51.21%	10.90%	6.49%	42.43%

1b. Income Classes

	Class C	Class D	Class E	Class F	Class G	Class H	Class X
1 month	0.27%	0.27%	0.27%	0.27%	0.22%	0.39%	0.21%
3 months	1.00%	0.87%	0.94%	1.01%	0.90%	1.19%	0.85%
6 months	1.83%	1.70%	1.85%	1.77%	1.73%	2.28%	1.56%
1 year	3.24%	3.05%	3.37%	3.25%	3.21%	4.16%	2.88%
3 years					5.93%		
Launch	4.03%	3.78%	4.07%	4.11%	50.52%	5.61%	3.55%

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Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

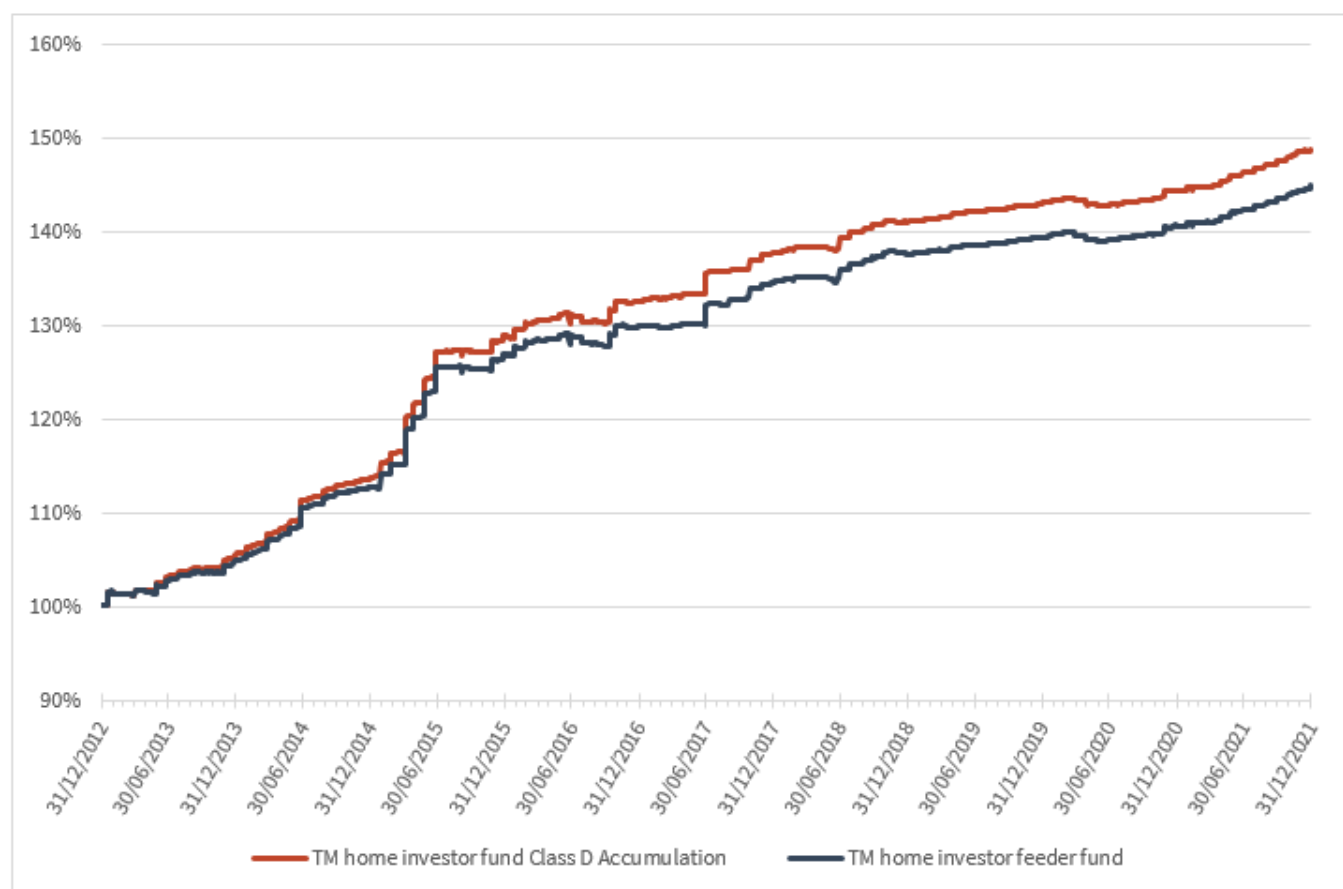
Investment Report - Hearthstone Asset Management Limited (continued)

2. Company Performance (continued)

Share Classes' launch dates:

Class	Accumulation	Income
Class C Unbundled Gross	7th January 2013	20th April 2020
Class D Unbundled Net	7th January 2013	20th April 2020
Class E Institutional Gross	13th August 2012	16th March 2020
Class F Institutional Net	3rd August 2012	20th April 2020
Class G Institutional Net	-	25th July 2012
Class H Gross	13th July 2018	20th April 2020
Class X Net	13th July 2018	20th April 2020
Feeder	29th April 2013	-

Figure 1: Company Performance, Class D and Feeder Fund - Launch to 31st December 2021



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.

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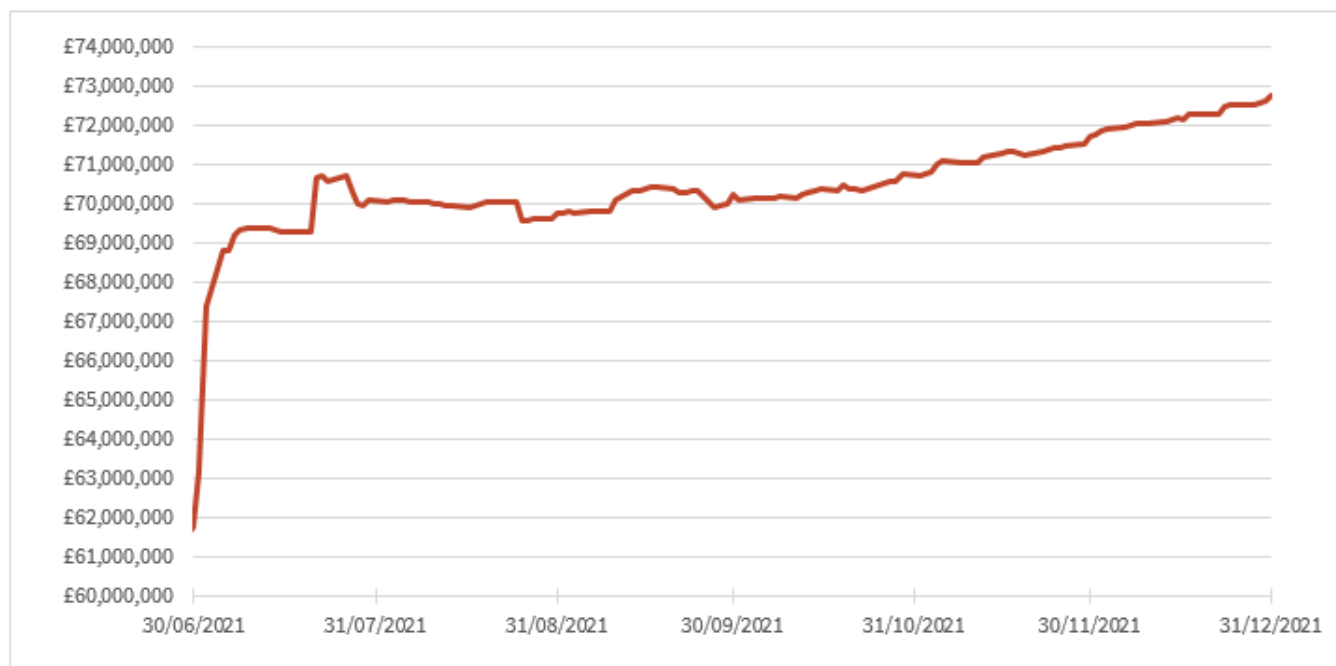
Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

2. Company Performance (continued)

Figure 2: Asset under Management (AUM) 1st July 2021 – 31st December 2021



As at 31st December 2021, the Company AUM was £72,751,628.98, up 15.25% from £63,125,387.52 on 1st July 2021.

3. Contribution to Company Performance

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

Table 2: Key Portfolio Statistics at 31st December 2021

Portfolio Purchase Price	£45,716,254
Investment Value (IV) (subject to tenancies in existence)	£56,645,500
Vacant Possession Value (VP) (assuming vacant possession)	£56,645,500
Number of Properties	222*
Average Unit Value VP	£255,160
Potential Gross Annual Rental Income	£2,723,102
Average Annual Rent	£12,322
Potential Gross Property Yield – Potential gross Income (actual annualised)	4.78%
Current Gross Property Yield – After voids i.e. Let properties only (actual annualised used)	4.56%
Net Property Yield - After voids & actual property expenditure (actual annualised)	3.32%

*221 properties, plus 1 set of car parking spaces

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

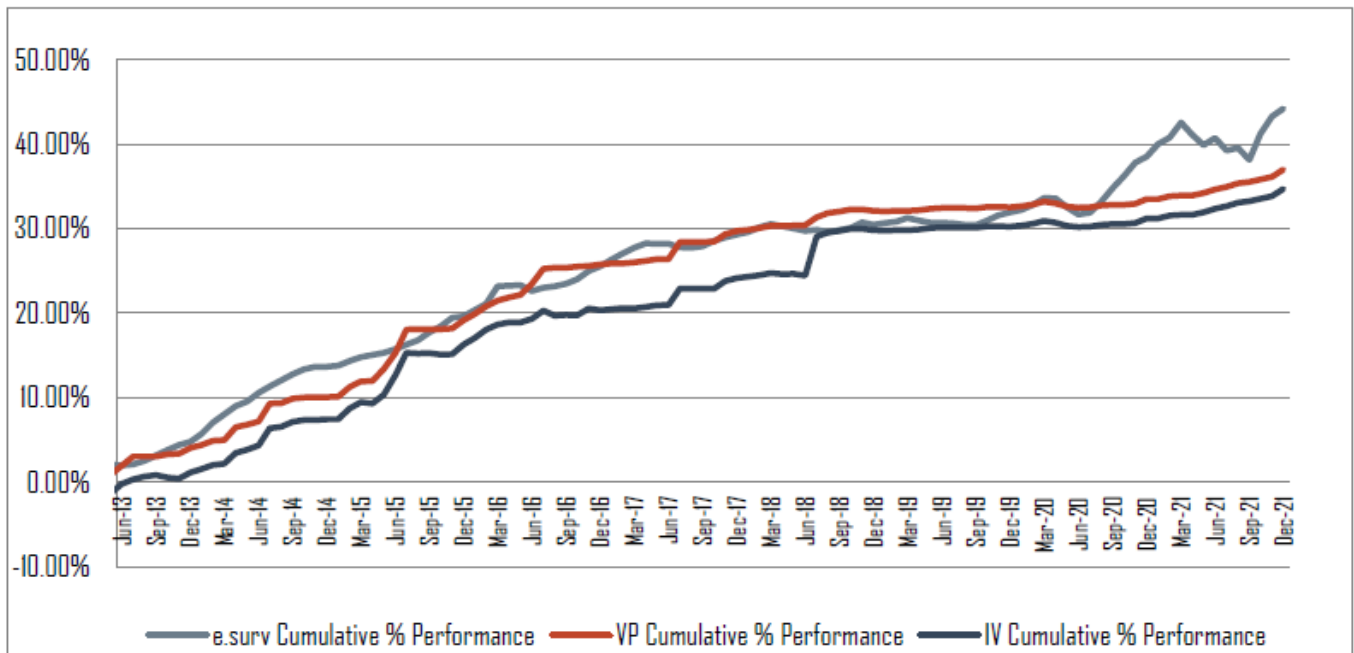
3. Contribution to Company Performance (continued)

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 6 shows the valuation movement of the Company's property portfolio (adjusted for acquisitions and disposals) from the launch of the Company to 31st December 2021 against the e.surv Acadata House Price Index. Figure 7 shows rolling annual change in the Company's property portfolio over the year to 31st December 2021, versus e.surv Acadata House Price Index over the same period.

Figure 6: Property portfolio valuation change vs e.surv Acadata, from Company launch to 31st December 2021



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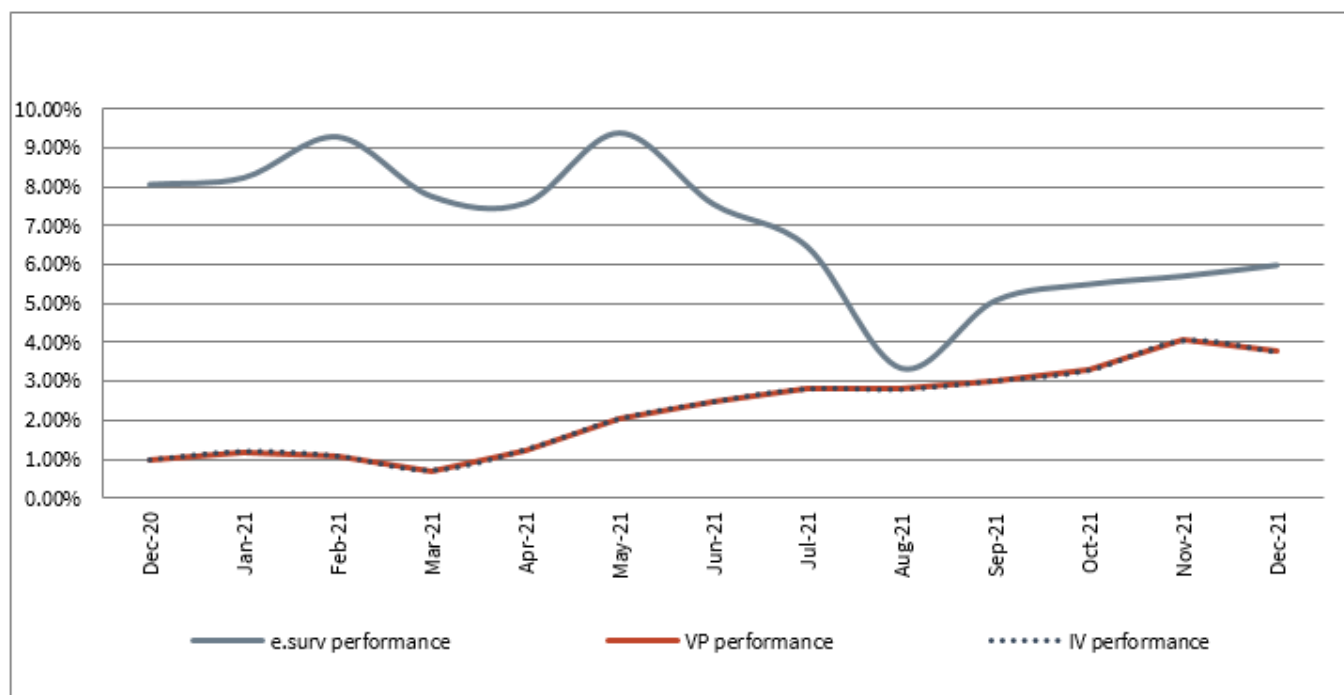
Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

3. Contribution to Company Performance (continued)

Figure 7: Rolling annual property portfolio valuation change vs e.surv Acadata, year to 31st December 2021



In December 2021, e.surv Acadata reported a 5.96% annual increase in average house prices (4.7% increase excluding London & the South East). Over the same twelve-month period, the performance of the Company's portfolio is 3.76% (VP and IV).

Since launch of the Company, this brings the increase in IV to 34.99%, and to 37.28% 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 45.99% over the same period.

As detailed above, slow recording of transactions on Land Registry for much of 2021 means the e.surv Acadata House Price Index continues to be very volatile, and it is likely to be into Q2 2022 before a reliable measure of house price growth for 2021 emerges. We are reading the recent months' index data with a high degree of caution

ii. Rental Yield & Income

Rent Collection

Rent collection throughout H2 2021 remained high, averaging 99%. This is in contrast to rent collection for some commercial property funds and portfolios which still remain below pre-COVID-19 levels, and demonstrates the difference between residential property and commercial property in times of significant stress.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

3. Contribution to Company Performance (continued)

Figure 3: Historical Rent Collection as a Percentage of Rent Demanded

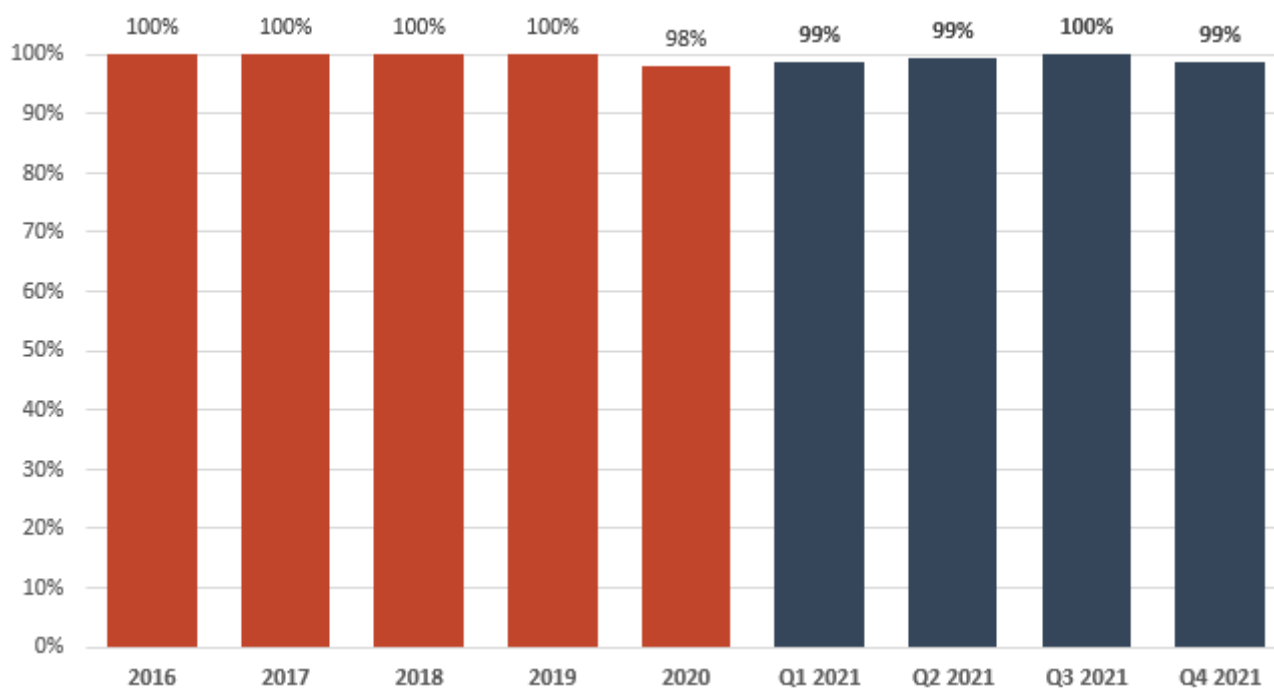


Table 3: Gross Rental Yield December 2021 per region

Region	Portfolio Gross Yield – December 2021
North West	5.28%
North East	-
Yorkshire & Humber	5.38%
South East	4.52%
South West	4.73%
Wales	-
Scotland	4.46%
East of England	4.39%
East Midlands	4.80%
West Midlands	5.27%
London	4.89%
Overall	4.81%

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

3. Contribution to Company Performance (continued)

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

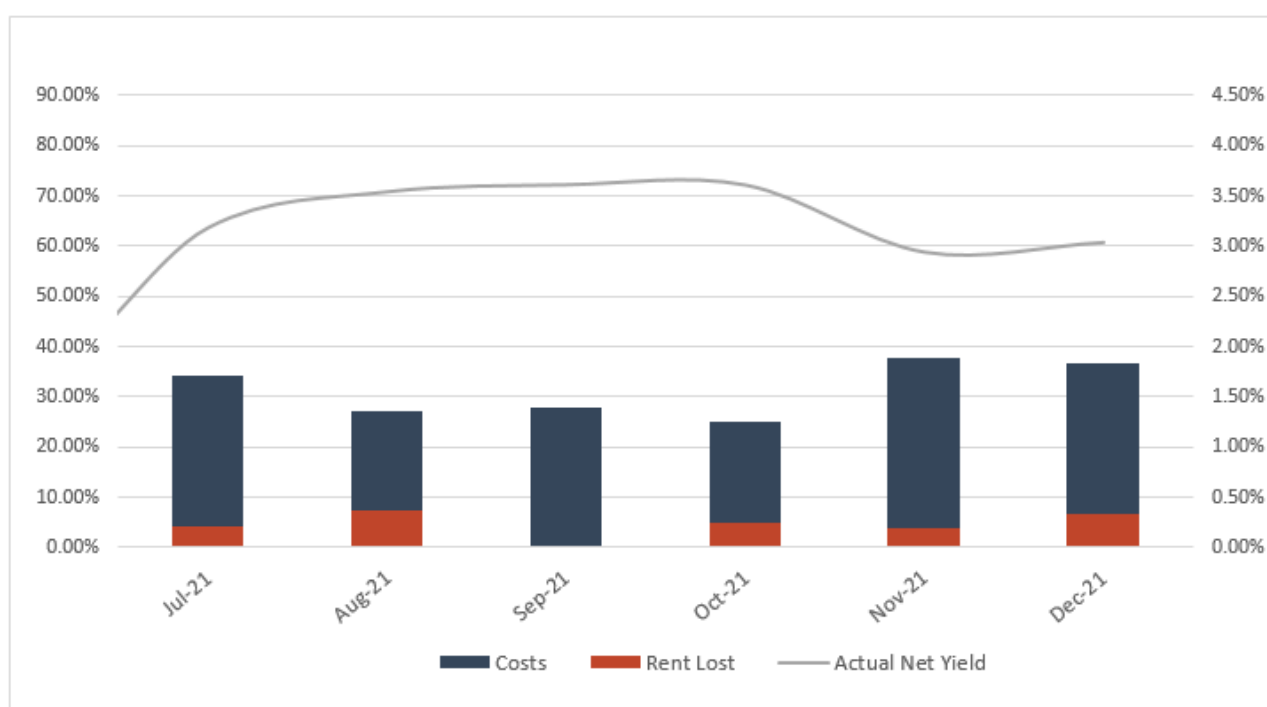
Table 4: Actual Gross - Net Yield monthly

Month	Potential Gross Yield	Current Gross Yield	Net Yield
Jul-21	4.83%	4.62%	3.19%
Aug-21	4.81%	4.45%	3.54%
Sep-21	4.80%	4.79%	3.61%
Oct-21	4.80%	4.56%	3.61%
Nov-21	4.64%	4.46%	2.94%
Dec-21	4.79%	4.47%	3.04%

As noted in our previous reports, the Net Yield has been low due to the perfect storm of COVID-19 related vacancies (we started HI with avoid loss c. 8% but this has since reduced back to normal levels) and arrears, together with increased costs due to Energy Performance Certificates, Electrical Installation Condition Reports, and Gas compliance coming due on a number of properties, and some more expensive maintenance issue that have arisen. This created higher than average costs in conjunction with lower-than-average rent demanded. However, these have all now stabilised, and we have achieved higher net yields in H2 2021. We would expect these to have been slightly higher, but capital value growth as outstripped rental growth, which has held back the yields slightly. We expect the yields to improve through 2022.

Figure 4 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 4: Cost impact on Net Property Yields as a percentage of Potential Rent



TM Hearthstone ICVC

Report of the Investment Managers

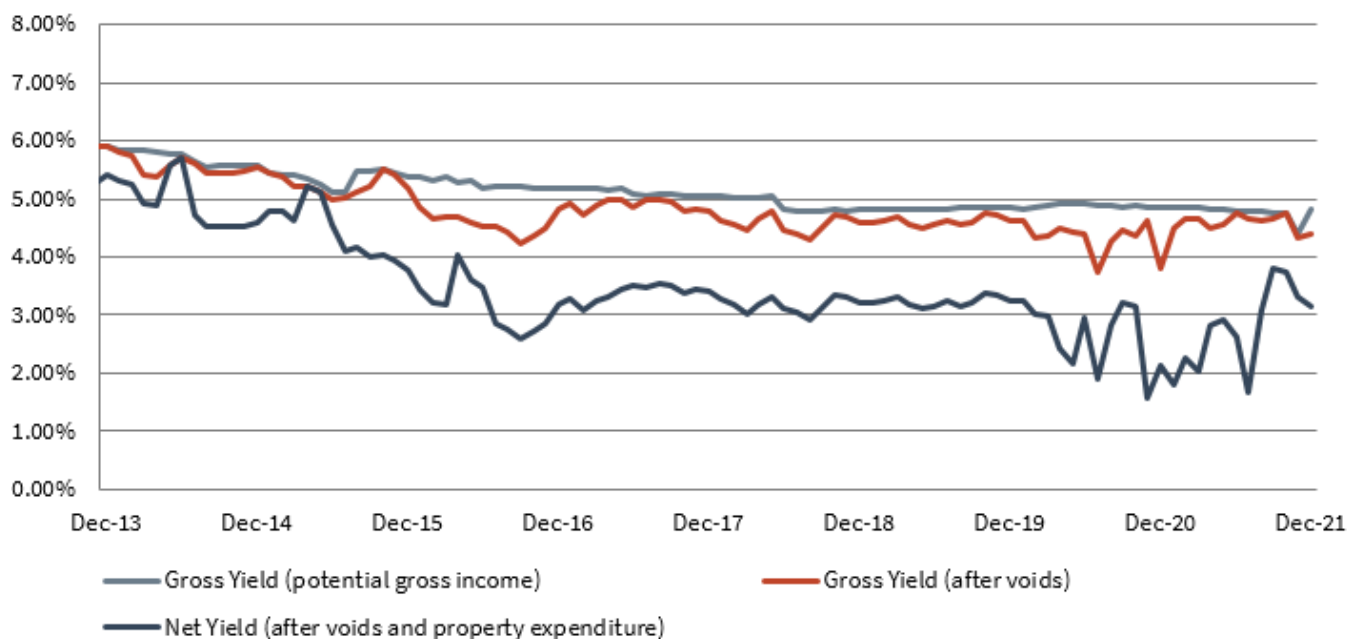
(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

3. Contribution to Company Performance (continued)

Figure 5 shows the movement of the gross/net property yield from inception to 31st December 2021 on an accrual basis.

Figure 5: Annualised Gross to Net Property Yield (Accrual basis)



4. Purchases and Sales in the period

In order to meet its investment objectives, the Company 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 Company has acquired c. £53million 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 Company. 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 Company 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

Two acquisitions were completed in H2 2021:

- In August 2021, it was agreed to buy 8 new build houses in Doncaster. The first 6 were completed and handed over in November 2021 with the final two completing in December 2021;
- In August 2021, it was agreed to buy 13 new building houses in Broughton, near Preston. These all completed in November 2021 with three already let and occupied.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

4. Purchases and Sales in the period (continued)

A full list of completed property purchases in the reporting period are listed in Table 5 below.

Table 5: Summary of acquisitions from 1st July 2021 – 31st December 2021

Purchase Date	Purchase Price	Address	Red Book Valuation at Purchase	Status
12/11/2021	£200,000	10 Pond Close, Doncaster	£211,500	Complete
12/11/2021	£200,000	12 Pond Close, Doncaster	£211,500	Complete
12/11/2021	£168,000	24 Pond Close, Doncaster	£178,500	Complete
12/11/2021	£200,000	26 Pond Close, Doncaster	£211,500	Complete
12/11/2021	£200,000	28 Pond Close, Doncaster	£211,500	Complete
17/12/2021	£201,000	23 Blackberry Road, Doncaster	£212,500	Complete
17/12/2021	£209,000	17 Blackberry Road, Doncaster	£222,500	Complete
12/11/2021	£199,000	42 Chester Drive, Doncaster	£210,500	Complete
12/11/2021	£204,000	28 Whitehall Drive, Broughton	£224,500	Complete
12/11/2021	£200,000	29 Whitehall Drive, Broughton	£220,000	Complete
12/11/2021	£223,000	32 Whitehall Drive, Broughton	£250,000	Complete
12/11/2021	£223,000	33 Whitehall Drive, Broughton	£250,000	Complete
12/11/2021	£223,000	34 Whitehall Drive, Broughton	£250,000	Complete
12/11/2021	£223,000	35 Whitehall Drive, Broughton	£250,000	Complete
12/11/2021	£200,000	36 Whitehall Drive, Broughton	£224,500	Complete
12/11/2021	£204,000	37 Whitehall Drive, Broughton	£220,000	Complete
12/11/2021	£200,000	38 Whitehall Drive, Broughton	£220,000	Complete
12/11/2021	£204,000	39 Whitehall Drive, Broughton	£224,500	Complete
12/11/2021	£198,000	41 Whitehall Drive, Broughton	£220,000	Complete
12/11/2021	£198,000	42 Whitehall Drive, Broughton	£220,000	Complete
12/11/2021	£200,000	43 Whitehall Drive, Broughton	£224,500	Complete
Total	£4,277,000	21	£4,668,000	8.55% discount

The Company is currently holding c. 22% cash and we are seeking further acquisitions - we are in fact under offer on 7 new build houses in the South West as at 31st December 2021 and hope to exchange contracts on these by the end of January 2022.

ii. Sales

No sales have been made during this reporting period, however, we regularly review assets which were likely to underperform or where regional reallocations should be made, and envisage some disposals during the next reporting period.

Taking into account the sold properties and new acquisitions, the purchase price of the assets held as at 31st December 2021 was £45,716,254.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

4. Purchases and Sales in the period (continued)

Table 6: Summary of disposals since 31st December 2021

Property	Purchase Price	Sold Price	Uplift	% uplift	Sale Date
-	-	-	-	-	-

iii. Holdings

At the end of 2021, 45.58% of the Company's Net Asset Value (NAV) was held across ten sites, and these are set out in Table 7 below.

Table 7: Top 10 Holdings 31st December 2021

Property Name	Number of Properties	Value	% of NAV
Quadrant Court, Wembley, London HA9	22	£7,380,000	10.17%
Wickhurst Green, Horsham, RH12	14	£4,665,000	6.43%
The Limes, Nottingham, NGS	18	£3,950,000	5.44%
Spectrum, Blackfriars Road, Manchester M3	17	£3,115,000	4.29%*
Crocketts Lane, Smethwick, 866	13	£3,025,000	4.17%
Whittingham Place, Preston, PR3	13	£2,998,000	4.13%
King Georges Pane, Rowhedge, COS	8	£2,605,000	3.59%
Rea Road, Northfield; Birmingham. 831	14	£1,835,000	2.53%
Henmead House, Haywards Heath, RH16	6	£1,755,000	2.42%
Portland View, Bristol, SS2	6	£1,750,000	2.41%
Total	131	£33,078,000	45.58%

* The Standing Independent Valuer has attached 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 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

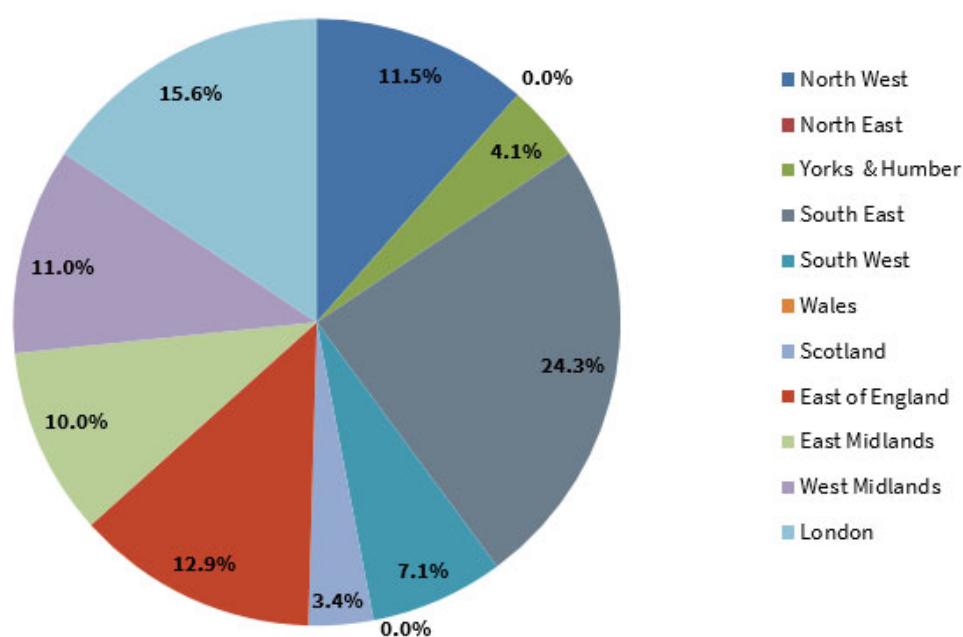
4. Purchases and Sales in the period (continued)

Table 8 shows the current portfolio against the e.surv Acadata regional weightings of property as at 31st December 2021. The portfolio is reasonably balanced at present but slightly underweight in the South West, which we aim to address with the ongoing acquisition in this region. The portfolio remains intentionally underweight in London.

Table 8: Property Portfolio Breakdown vs Regional e.surv Allocations as at 31st December 2021

Areas	No of Units	% of units	Purchase Price	Current IV	% by Value & Region	% +/-	e.surv Regional Weightings
Northwest	34	15%	£5,606,000	£6,528,000	11.5%	4.7%	6.8%
North East	0	0%	£0	£0	0.0%	-2.1%	2.1%
Yorks & Humber	11	5%	£2,070,000	£2,305,000	4.1%	-1.1%	5.2%
South East	41	18%	£11,810,400	£13,760,000	24.3%	4.0%	20.3%
South West	14	6%	£3,358,000	£4,030,000	7.1%	-3.0%	10.1%
Wales	0	0%	£0	£0	0.0%	-2.7%	2.7%
Scotland	8	4%	£1,185,708	£1,950,000	3.4%	-2.7%	6.1%
East of England	25	11%	£5,318,897	£7,312,500	12.9%	1.3%	11.6%
East Midlands	27	12%	£4,427,750	£5,675,000	10.0%	4.5%	5.5%
West Midlands	35	16%	£5,311,000	£6,240,000	11.0%	5.0%	6.0%
London	27	12%	£6,128,500	£8,845,000	15.6%	-7.9%	23.5%
TOTAL	222	100%	£45,216,255	£56,645,500	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 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

5. Rental Income

Table 9: Rent Collection & Expenditure to 31st December 2021

Rent Demanded	£1,220,543.05
Rent Collected *	£1,222,550.00
Property Expenditure Paid	£343,246.02
Net Rent Received by Company *	£880,699.16
% Collected – 1st July 2021 – 31st December 2021	99.24%

* 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 £12,639.80 during this reporting period.

i. Arrears

As at 31st December 2021, arrears totalled £87,494.39, of which £22,168.98 are historic tenant rental arrears. This is significantly above the average due to some tenants experiencing financial difficulties during the COVID-19 pandemic. We are pleased to see that some payment plans put in place through early engagement and ongoing support calls with those tenants is helping to reduce this for the most part. However, the majority of the current arrears are actually only four tenants, although, the process of regaining possession of three of these properties is underway, and the remaining tenant is subject to a strict payment plan. We hope that as at the next reporting date these arrears will be significantly reduced.

Comparing these figures with the total annual rental potential of the portfolio at £2,723,102 and the number of tenants in substantial arrears demonstrates the success of the tenant referencing and tenancy management.

ii. Write Offs

During the year 1st July 2020 to 31st December 2020, no amount due to the Company was written off. We do note that there are some debts which have arisen because of the COVID-19 pandemic which are proving very difficult to collect (outlined above) and may need to be written off in 2022.

6. Performance Figures

Table 10: Company Key Financial Figures 31st December 2021

INCOME		
Gross Income Accrued by the Company from 1st July 2021 – 31st December 2021	£1,222,550.00	
Net Annual Company Income at 31st December 2021 (added back in distribution income)	£596,630	September 2021: £256,124 December 2021: £340,506
Gross Net Adjustment	48.80%	

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

6. Performance Figures (continued)

Company Performance vs e.surv House Price Index

The Company 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 Company is not constrained by it.

Comparing the Company performance for the individual share classes to 31st December 2021 against the e.surv Acadata Index it can be seen that, on an annualised basis, the Company has underperformed that index on all share classes in the past six months, with performance varying between share classes from 1.70% to 2.28% against 6.84% 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 Q2 2022. It is also important to note that the e.surv Acadata index is reweighted in February/March each year according to the market share of transactions over the previous four calendar years. This annual reweighting is applied to the entire index series retrospectively, so will also result in previous years' house price growth being restated.

Tables 11a and 11b, and figure 8 below show performance of the Company versus the e.surv Acadata England and Wales House Price Index. Company 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 House Price Index to 31st December 2021

11a. Accumulation Classes

	Class C	Class D	Class E	Class F	Class H	Class X	Feeder	e.surv Acadata
1 month	0.27%	0.20%	0.33%	0.27%	0.39%	0.21%	0.28%	1.75%
3 months	0.94%	0.89%	1.06%	1.01%	1.19%	0.85%	0.99%	4.79%
6 months	1.76%	1.66%	1.87%	1.77%	2.28%	1.56%	1.78%	6.84%
1 year	3.23%	3.02%	3.39%	3.25%	4.16%	2.88%	3.03%	5.96%

11b. Income Classes

	Class C	Class D	Class E	Class F	Class G	Class H	Class X	e.surv Acadata
1 month	0.27%	0.27%	0.27%	0.27%	0.22%	0.39%	0.21%	1.75%
3 months	1.00%	0.87%	0.94%	1.01%	0.90%	1.19%	0.85%	4.79%
6 months	1.83%	1.70%	1.85%	1.77%	1.73%	2.28%	1.56%	6.84%
1 year	3.24%	3.05%	3.37%	3.25%	3.21%	4.16%	2.88%	5.96%

TM Hearthstone ICVC

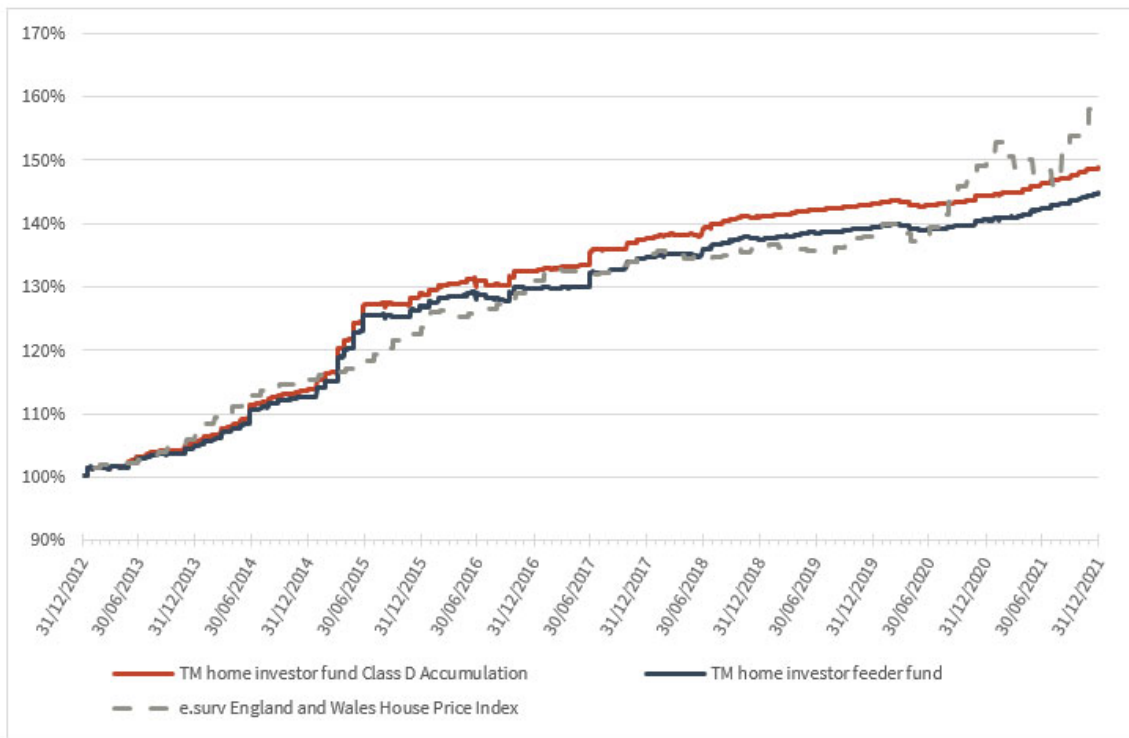
Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (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 to 31st December 2021

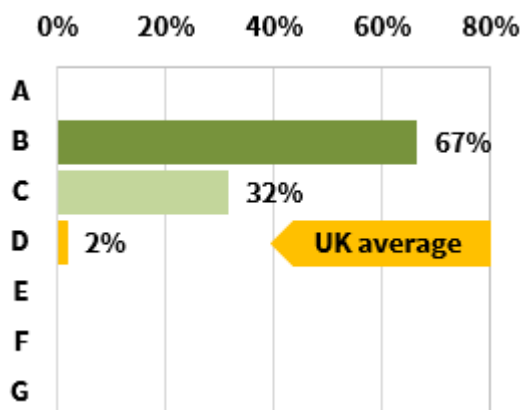


Note 3: Basis = 100% at share class launch date. For simplicity, only Class D Accumulation and Feeder performance are plotted on the chart as these are the most widely available classes across investment platforms and product wrappers.

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.

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

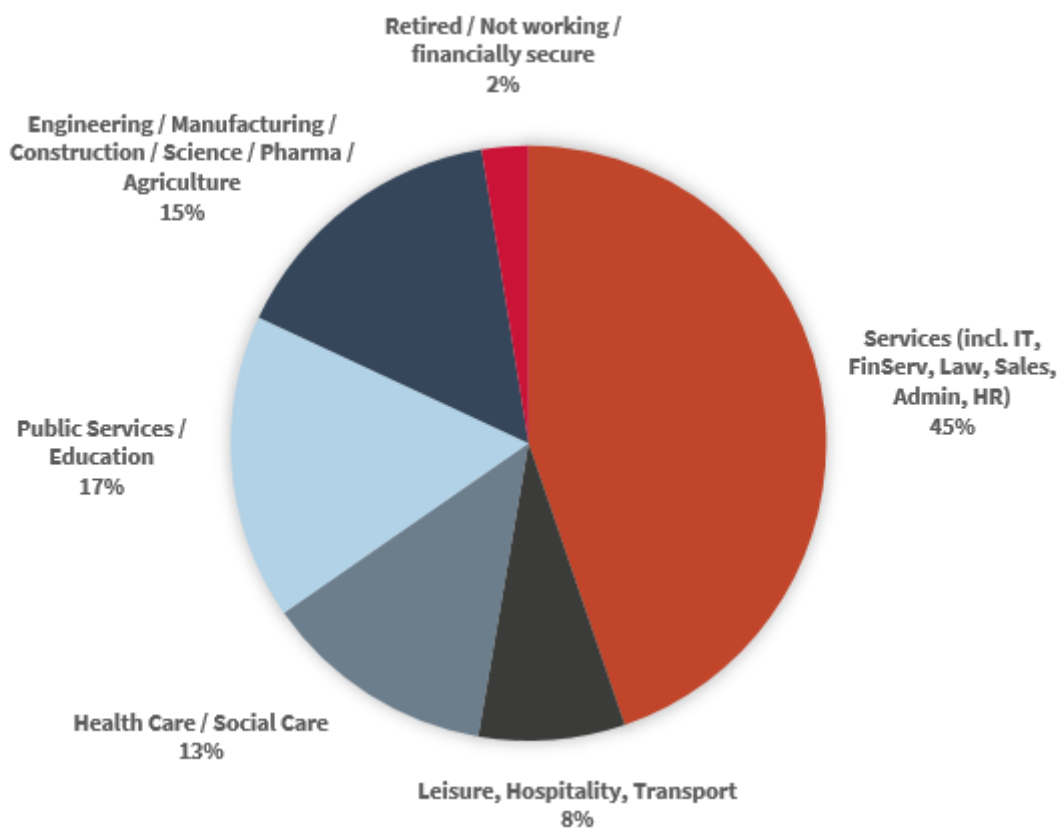
Investment Report - Hearthstone Asset Management Limited (continued)

7. Positive Environmental and Social Impact (continued)

Much of the focus of our strategy in 2021 was upon social impact, more specifically on tenant wellbeing. As previously mentioned, as part of our contract with our new Property Manager 6-monthly tenant surveys are carried out to ascertain how we can improve our tenants' stay. We review all feedback and comments in bi-annual meetings to ensure all concerns are appropriately assessed and managed.

Properties held in the Company house a diverse set of tenants, some 30% of which are key workers.

Figure 11: Tenant Employment Profile



Source: Hearthstone

Hearthstone Asset Management Limited
Property Investment Manager
17th February 2022

TM Hearthstone ICVC

Report of the Investment Managers

(unaudited) for the period ended 31st December 2021 (continued)

Investment Report - Thesis Asset Management Limited

Thesis Asset Management manages the cash and stock element of the TM Hearthstone ICVC to ensure a level of liquidity.

Money is held in the BlackRock Institutional Sterling Liquidity Fund Accumulation and Federated Prime Sterling Liquidity Fund Class 08 Accumulation to meet investor dealing and property transactions.

The Bank of England Base Rate remained at an all-time low of 0.1% over most of the period, only rising to 0.25% on 16th December. Cash related returns have unsurprisingly been virtually Nil, the BlackRock Institutional Sterling Liquidity Fund Accumulation has risen by less than 0.01% and the Federated Prime Sterling Liquidity Fund Class 08 Accumulation was unchanged.

Thesis Asset Management Limited
Investment Manager
25th February 2022

TM Hearthstone ICVC

Constitution

TM Hearthstone ICVC (the “Company”) is an investment company with variable capital incorporated in England and Wales under registered number IC946 and authorised by the FCA with effect from 30th April 2012.

The Company is a non-UCITS retail scheme (NURS). 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 registered head office of the Company is at Exchange Building, St John’s Street, Chichester, West Sussex PO19 IUP.

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 Annual Report & Accounts on behalf of the ACD, Thesis Unit Trust Management Limited.

D.W. TYERMAN Director

S. E. NOONE Director

28th February 2022

TM Hearthstone ICVC

TM home investor fund

Portfolio Statement

(unaudited) as at 31st December 2021

Holding	Market value £	Percentage of total net assets %
INVESTMENTS IN IMMOVABLE PROPERTY 78.05% (81.21%)		
Market value greater than £400,001 3.80% (4.35%)		
1 Southfields Green, Gravesend, Kent	555,000	0.76
1 Chilton Field Way, Chilton, Didcot, Oxfordshire	485,000	0.67
1 Silk Close, Buckingham, Buckinghamshire	445,000	0.61
1 Brunel Court, Barnet, Middlesex, London	425,000	0.59
1 Station Road, Hertford, Hertfordshire	425,000	0.59
1 Broom Field Way, Felpham, West Sussex	420,000	0.58
	2,755,000	3.80
Market value between £300,001 and £400,000 30.14% (33.15%)		
14 Quadrant Court, Empire Way, Wembley, Greater London	5,450,000	7.51
9 Carter Drive, Broadbridge Heath, Horsham, West Sussex	2,965,000	4.08
7 Copse Drive, Rowhedge, Colchester, Essex	2,320,000	3.19
4 Pandora Close, Locks Heath, Fareham, Hampshire	1,392,500	1.92
4 Kimmerghame Terrace, Edinburgh, Lothian, Scotland	1,230,000	1.69
2 Sargent Way, Broadbridge Heath, Horsham, West Sussex	785,000	1.08
2 Lake View, Houghton Regis, Bedfordshire	730,000	1.01
2 Cavalry Road, Colchester, Essex	680,000	0.94
2 Wood Street, Patchway, Bristol, South Gloucestershire	660,000	0.91
2 Sword Grove, Wainscott, Rochester, Kent	640,000	0.88
2 Bishop Street, Bristol, South Gloucestershire	620,000	0.85
1 Gold Furlong, Milton Keynes, Bedfordshire	390,000	0.54
1 Olympic Boulevard, Colchester, Essex	385,000	0.53
1 Beale Close, Broadbridge Heath, Horsham, West Sussex	375,000	0.52
1 Samas Way, Dartford, Kent	360,000	0.50
1 Virginia Road, Dartford, Kent	340,000	0.47
1 Dunnock Road, Corby, Northamptonshire	330,000	0.44
1 Apollo Avenue, Peterborough, Cambridgeshire	325,000	0.45
1 Blacksmith Lane, Colchester, Essex	325,000	0.45
1 Dragoon Road, Colchester, Essex	325,000	0.45
1 Roman Way, Cranbrook, Devon	325,000	0.45
1 Mosquito Road, Cambourne, Cambridgeshire	310,000	0.43
1 Oakfield Road, Shifnal, Shropshire	310,000	0.43
1 Weavers Close, Eastbourne, East Sussex	302,500	0.42
	21,875,000	30.14
Market value between £200,001 and £300,000 34.07% (32.19%)		
13 John Brooks Avenue, Smethwick, Birmingham, West Midlands	3,025,000	4.17
13 Whitehall Drive, Broughton, Lancashire	2,998,000	4.13
8 Quadrant Court, Empire Way, Wembley, Greater London	1,930,000	2.66
6 Henmead House, Haywards Heath, West Sussex	1,755,000	2.42
6 Laxton Close, Nottingham, Nottinghamshire	1,250,000	1.72
6 Meridian Close, Nottingham, Nottinghamshire	1,250,000	1.72
4 Bishop Street, Bristol, South Gloucestershire	1,130,000	1.56

TM Hearthstone ICVC

TM home investor fund

Portfolio Statement

(unaudited) as at 31st December 2021 (continued)

Holding	Market value £	Percentage of total net assets %
Market value between £200,001 and £300,000 34.07% (32.19%) (continued)		
3 Weavers Close, Eastbourne, East Sussex	870,000	1.20
4 Pond Close, Doncaster, Yorkshire	846,000	1.17
4 Blackfriars Road (Block 6), Salford, Greater Manchester*	840,000	1.16
3 Blackfriars Road (Block 1), Salford, Greater Manchester*	645,000	0.89
2 Gold Furlong, Milton Keynes, Bedfordshire	600,000	0.83
2 Carter Drive, Broadbridge Heath, Horsham, West Sussex	540,000	0.74
2 Elizabethan Way, Teignmouth, Devon	530,000	0.73
2 Merchant Avenue, Nottingham, Nottinghamshire	515,000	0.71
2 Spa House, Hayes, Hillingdon, London	510,000	0.70
2 Blackberry Road, Doncaster, Yorkshire	435,000	0.60
2 Lapins Close, Nottingham, Nottinghamshire	420,000	0.58
2 Arneil Drive, Edinburgh, Lothian, Scotland	410,000	0.57
1 Brunel Court, Barnet, Middlesex, London	290,000	0.40
1 Eveas Drive, Sittingbourne, Kent	290,000	0.40
1 Copse Drive, Rowhedge, Colchester, Essex	285,000	0.39
1 Cygnet Road, Stowmarket, Suffolk	270,000	0.37
1 Hayburn Road, Swindon, Wiltshire	270,000	0.37
1 Chalfont Drive, Nottingham, Nottinghamshire	257,500	0.35
1 Penny Close, Nottingham, Nottinghamshire	257,500	0.35
1 Cardinal Drive, Tuffley, Gloucester, Gloucestershire	255,000	0.35
1 Mallow Road, Minster, Kent	250,000	0.34
1 Featherstone Court, Featherstone Road, Southall, Ealing, London	240,000	0.33
1 Paper Lane, Paulton, Bristol, Somerset	240,000	0.33
1 Beech Drive, Thornton-Cleveleys, Lancashire	230,000	0.32
1 Doveholes Drive, Handsworth, Sheffield, South Yorkshire	225,000	0.31
1 Rowley Mews, Pocklington, Yorks, East Riding	225,000	0.31
1 Blackfriars Road (Block 3), Salford, Greater Manchester*	215,000	0.30
1 Blackfriars Road (Block 5), Salford, Greater Manchester*	215,000	0.30
1 Chester Drive, Doncaster, Yorkshire	210,500	0.29
	24,724,500	34.07
Market value between £100,001 and £200,000 9.61% (10.86%)		
14 Rea Road, Northfield, Birmingham, West Midlands	1,835,000	2.53
8 Blackfriars Road (Block 6), Salford, Greater Manchester*	1,140,000	1.57
6 Mansion House, Salamanca Way, Colchester, Essex	932,500	1.28
4 Bennet Drive, Kirkby-in-Ashfield, Nottinghamshire	700,000	0.96
2 Betjeman Way, Cleobury Mortimer, Shropshire	395,000	0.54
2 Lythalls Lane, Coventry, West Midlands	345,000	0.48
2 Lindleys Lane, Kirkby-in-Ashfield, Nottinghamshire	335,000	0.46
2 Arneil Drive, Edinburgh, Lothian, Scotland	310,000	0.43
1 Doveholes Drive, Handsworth, Sheffield, South Yorkshire	185,000	0.25
1 Lacey Grove, Annesley, Nottinghamshire	180,000	0.25
1 Owston Road, Annesley, Nottinghamshire	180,000	0.25
1 Pond Close, Doncaster, Yorkshire	178,500	0.25

TM Hearthstone ICVC

TM home investor fund

Portfolio Statement

(unaudited) as at 31st December 2021 (continued)

Holding	Market value £	Percentage of total net assets %
Market value between £100,001 and £200,000 9.61% (10.86%) (continued)		
1 Lambert Close, Erdington, Birmingham, West Midlands	150,000	0.21
1 Clarendon Gardens, Bolton, Lancashire	110,000	0.15
	6,976,000	9.61
Market value lower than £100,000 0.43% (0.66%)		
1 Leopard Lane, West Bromwich, West Midlands	90,000	0.13
1 Hobart Point, Churchfields Way, West Bromwich, West Midlands	90,000	0.12
1 Fernbeck Close, Farnworth, Bolton, Greater Manchester	75,000	0.10
1 Car parking spaces (No 25, 55, 92 & 94), Blackfriars Road, Salford, Greater Manchester	60,000	0.08
	315,000	0.43
TOTAL IMMOVABLE PROPERTY	56,645,500	78.05
COLLECTIVE INVESTMENT SCHEMES 8.85% (8.61%)		
18,906 BlackRock Institutional Sterling Liquidity Fund Accumulation	3,206,119	4.42
2,988,692 Federated Prime Sterling Liquidity Fund Class 08 Accumulation	3,218,822	4.43
	6,424,941	8.85
TOTAL COLLECTIVE INVESTMENT SCHEMES	6,424,941	8.85
Net investments 86.90% (89.82%)	63,070,441	86.90
Net other assets	9,511,495	13.10
Total net assets	72,581,936	100.00

Note: Comparative figures shown in brackets relate to 30th June 2021.

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

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Sub-fund Information

The Comparative Tables on pages 31 to 42 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 buying and selling underlying investments. These vary depending on the class of investments, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

- Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.
- Indirect transaction costs are costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the sub-fund are recovered from those investors through a 'dilution adjustment or levy' to the price they pay or receive.

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Sub-fund Information *(continued)*

Comparative Tables

Class A Retail Gross Accumulation

Accounting Period to -	01/07/2020 - 30/06/2021 ¹ <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share		
Opening net asset value per share	137.52	137.42
Return before operating charges and property expenses*	3.72	4.79 ²
Operating charges	(1.37)	(2.96)
Property expenses	(1.07)	(1.73) ²
Return after operating charges and property expenses*	1.28	0.10
Distributions	(0.08)	(0.54)
Retained distributions on accumulation shares	0.08	0.54
Last net asset value per share	138.80	–
Closing net asset value per share	–	137.52
*After direct transaction costs of ³ :	0.10	0.46

Performance

Return after charges	0.93%	0.07%
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Other Information

Closing net asset value (£'000)	–	146
Closing number of shares	–	106,067
Operating charges ⁴	2.14%	2.14%
Property expense ratio ⁵	1.67%	1.25%
Direct transaction costs	0.00%	0.33%

Prices

Highest share price	138.90	138.40
Lowest share price	137.40	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 Restated, to include the property expenses per share.

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 sub-fund and is calculated based on the last year's figures. 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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Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class B Retail Net Accumulation

Accounting Period to -

	01/07/2020 - 30/06/2021 ¹	01/07/2019 - 30/06/2020
	<i>(pence per share)</i>	<i>(pence per share)</i>

Change in Net Asset Value per Share

Opening net asset value per share	136.04	136.04
Return before operating charges and property expenses*	3.76	4.63 ²
Operating charges	(1.35)	(2.92)
Property expenses	(1.05)	(1.71) ²
Return after operating charges and property expenses*	1.36	–
Distributions	(0.15)	(0.43)
Retained distributions on accumulation shares	0.15	0.43
Last net asset value per share	137.40	–
Closing net asset value per share	–	136.04

*After direct transaction costs of ³ :	0.10	0.46
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Performance

Return after charges	1.00%	0.00%
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Other Information

Closing net asset value (£'000)	–	89
Closing number of shares	–	65,411
Operating charges ⁴	2.14%	2.14%
Property expense ratio ⁵	1.67%	1.25%
Direct transaction costs	0.00%	0.33%

Prices

Highest share price	137.50	136.90
Lowest share price	136.00	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 Restated, to include the property expenses per share.

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 sub-fund and is calculated based on the last year's figures. 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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Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class C Unbundled Gross Income

Accounting Period to -

	01/07/2021 - 31/12/2021	06/10/2020 - 30/06/2021 ¹
	<i>(pence per share)</i>	<i>(pence per share)</i>

Change in Net Asset Value per Share

Opening net asset value per share	146.06	144.40
Return before operating charges and property expenses*	4.61	6.41
Operating charges ²	(1.10)	(1.65)
Property expenses ²	(0.82)	(1.78)
Return after operating charges and property expenses*	2.69	2.98
Distributions on income shares	(1.61)	(1.32)
Closing net asset value per share	147.14	146.06

*After direct transaction costs of :	0.56	0.14
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Performance

Return after charges	1.84%	2.06%
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Other Information

Closing net asset value (£'000)	128	4
Closing number of shares	86,956	2,921
Operating charges ³	1.48%	1.54%
Property expense ratio ⁴	1.10%	1.67%
Direct transaction costs	0.38%	0.10%

Prices

Highest share price	148.00	147.20
Lowest share price	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 2021.

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 sub-fund and is calculated based on the last year's figures. 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 to -	01/07/2021 - 31/12/2021 <i>(pence per share)</i>	01/07/2020 - 30/06/2021 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	147.42	143.79	142.72
Return before operating charges and property expenses*	4.58	8.29	5.09 ¹
Operating charges ²	(1.11)	(2.24)	(2.22)
Property expenses ²	(0.82)	(2.42)	(1.80) ¹
Return after operating charges and property expenses*	2.65	3.63	1.07
Distributions	(0.65)	(0.81)	(1.44)
Retained distributions on accumulation shares	0.65	0.81	1.44
Closing net asset value per share	150.07	147.42	143.79
*After direct transaction costs of ³ :	0.57	0.14	0.48
Performance			
Return after charges	1.80%	2.52%	0.75%
Other Information			
Closing net asset value (£'000)	14,621	11,992	10,107
Closing number of shares	9,742,811	8,134,472	7,029,123
Operating charges ⁴	1.48%	1.54%	1.54%
Property expense ratio ⁵	1.10%	1.67%	1.25%
Direct transaction costs	0.38%	0.10%	0.33%
Prices			
Highest share price	150.10	147.50	144.50
Lowest share price	147.40	143.80	142.80

¹ Restated, to include the property expenses per share.

² Operating cost and property expense for the six-month period ended 31st December 2021.

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 sub-fund and is calculated based on the last year's figures. 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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Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class D Unbundled Net Income

Accounting Period to -

	01/07/2021 - 31/12/2021	18/06/2021 - 30/06/2021 ¹
	<i>(pence per share)</i>	<i>(pence per share)</i>

Change in Net Asset Value per Share

Opening net asset value per share	144.39	144.10
Return before operating charges and property expenses*	4.11	0.53
Operating charges ²	(1.08)	(0.08)
Property expenses ²	(0.80)	(0.08)
Return after operating charges and property expenses*	2.23	0.37
Distributions on income shares	(1.12)	(0.08)
Closing net asset value per share	145.50	144.39

*After direct transaction costs of :	0.56	0.14
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Performance

Return after charges	1.54%	0.26%
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Other Information

Closing net asset value (£'000)	372	6
Closing number of shares	255,521	4,266
Operating charges ³	1.48%	1.54%
Property expense ratio ⁴	1.10%	1.67%
Direct transaction costs	0.38%	0.10%

Prices

Highest share price	146.30	144.50
Lowest share price	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 2021.

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 sub-fund and is calculated based on the last year's figures. 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 to -	01/07/2021 - 31/12/2021 <i>(pence per share)</i>	01/07/2020 - 30/06/2021 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	144.44	141.03	140.25
Return before operating charges and property expenses*	4.36	7.97	4.73 ¹
Operating charges ²	(1.09)	(2.19)	(2.18)
Property expenses ²	(0.81)	(2.37)	(1.77) ¹
Return after operating charges and property expenses*	2.46	3.41	0.78
Distributions	(0.51)	(0.65)	(1.13)
Retained distributions on accumulation shares	0.51	0.65	1.13
Closing net asset value per share	146.90	144.44	141.03
*After direct transaction costs of ³ :	0.56	0.14	0.47
Performance			
Return after charges	1.70%	2.42%	0.56%
Other Information			
Closing net asset value (£'000)	2,229	1,899	2,528
Closing number of shares	1,517,602	1,314,643	1,792,730
Operating charges ⁴	1.48%	1.54%	1.54%
Property expense ratio ⁵	1.10%	1.67%	1.25%
Direct transaction costs	0.38%	0.10%	0.33%
Prices			
Highest share price	146.90	144.50	141.80
Lowest share price	144.40	141.00	140.30

¹ Restated, to include the property expenses per share.

² Operating cost and property expense for the six-month period ended 31st December 2021.

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 sub-fund and is calculated based on the last year's figures. 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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Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class E Institutional Gross Income

Accounting Period to -

	01/07/2021 - 31/12/2021 <i>(pence per share)</i>	01/07/2020 - 30/06/2021 ¹ <i>(pence per share)</i>
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Change in Net Asset Value per Share

Opening net asset value per share	147.41	146.20
Return before operating charges and property expenses*	4.58	8.23
Operating charges ²	(0.99)	(2.05)
Property expenses ²	(0.82)	(2.45)
Return after operating charges and property expenses*	2.77	3.73
Distributions on income shares	(1.53)	(2.52)
Closing net asset value per share	148.65	147.41

*After direct transaction costs of :	0.57	0.14
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Performance

Return after charges	1.88%	2.55%
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Other Information

Closing net asset value (£'000)	34,892	32,656
Closing number of shares	23,471,896	22,153,015
Operating charges ³	1.33%	1.39%
Property expense ratio ⁴	1.10%	1.67%
Direct transaction costs	0.38%	0.10%

Prices

Highest share price	149.50	149.40
Lowest share price	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 2021.

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 sub-fund and is calculated based on the last year's figures. 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 to -	01/07/2021 - 31/12/2021 <i>(pence per share)</i>	01/07/2020 - 30/06/2021 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	149.84	146.17	144.86
Return before operating charges and property expenses*	4.63	8.16	5.17 ¹
Operating charges ²	(1.01)	(2.04)	(2.03)
Property expenses ²	(0.84)	(2.45)	(1.83) ¹
Return after operating charges and property expenses*	2.78	3.67	1.31
Distributions	(0.77)	(0.11)	(1.68)
Retained distributions on accumulation shares	0.77	0.11	1.68
Closing net asset value per share	152.62	149.84	146.17
*After direct transaction costs of ³	0.58	0.14	0.49

Performance

Return after charges	1.86%	2.51%	0.90%
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Other Information

Closing net asset value (£'000)	190	242	29,682
Closing number of shares	124,526	161,344	20,307,203
Operating charges ⁴	1.33%	1.39%	1.39%
Property expense ratio ⁵	1.10%	1.67%	1.25%
Direct transaction costs	0.38%	0.10%	0.33%

Prices

Highest share price	152.70	149.90	146.80
Lowest share price	149.80	146.10	144.90

¹ Restated, to include the property expenses per share.

² Operating cost and property expense for the six-month period ended 31st December 2021.

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 sub-fund and is calculated based on the last year's figures. 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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Sub-fund Information (continued)

Comparative Tables (continued)

Class F Institutional Net Accumulation

Accounting Period to -	01/07/2021 - 31/12/2021 <i>(pence per share)</i>	01/07/2020 - 30/06/2021 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	146.71	143.04	142.04
Return before operating charges and property expenses*	4.40	8.08	4.78 ¹
Operating charges ²	(0.99)	(2.01)	(1.99)
Property expenses ²	(0.82)	(2.40)	(1.79) ¹
Return after operating charges and property expenses*	2.59	3.67	1.00
Distributions	(0.61)	(0.87)	(1.31)
Retained distributions on accumulation shares	0.61	0.87	1.31
Closing net asset value per share	149.30	146.71	143.04
*After direct transaction costs of ³ :	0.57	0.14	0.48
Performance			
Return after charges	1.77%	2.57%	0.70%
Other Information			
Closing net asset value (£'000)	2,271	2,159	2,216
Closing number of shares	1,520,969	1,471,785	1,549,221
Operating charges ⁴	1.33%	1.39%	1.39%
Property expense ratio ⁵	1.10%	1.67%	1.25%
Direct transaction costs	0.38%	0.10%	0.33%
Prices			
Highest share price	149.40	146.80	143.70
Lowest share price	146.70	143.10	142.10

¹ Restated, to include the property expenses per share.

² Operating cost and property expense for the six-month period ended 31st December 2021.

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 sub-fund and is calculated based on the last year's figures. 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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Sub-fund Information (continued)

Comparative Tables (continued)

Class G Institutional Net Income

Accounting Period to -	01/07/2021 - 31/12/2021 <i>(pence per share)</i>	01/07/2020 - 30/06/2021 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>
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Change in Net Asset Value per Share

Opening net asset value per share	131.77	129.23	129.58
Return before operating charges and property expenses*	3.95	7.32	4.29 ¹
Operating charges ²	(0.89)	(1.81)	(1.81)
Property expenses ²	(0.73)	(2.18)	(1.63) ¹
Return after operating charges and property expenses*	2.33	3.33	0.85
Distributions on income shares	(0.55)	(0.79)	(1.20)
Closing net asset value per share	133.55	131.77	129.23

*After direct transaction costs of ³ :	0.51	0.13	0.43
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Performance

Return after charges	1.77%	2.58%	0.66%
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Other Information

Closing net asset value (£'000)	115	430	274
Closing number of shares	86,379	326,105	211,758
Operating charges ⁴	1.33%	1.39%	1.39%
Property expense ratio ⁵	1.10%	1.67%	1.25%
Direct transaction costs	0.38%	0.10%	0.33%

Prices

Highest share price	133.90	132.10	130.30
Lowest share price	131.80	129.30	129.30

¹ Restated, to include the property expenses per share.

² Operating cost and property expense for the six-month period ended 31st December 2021.

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 sub-fund and is calculated based on the last year's figures. 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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Sub-fund Information *(continued)*

Comparative Tables *(continued)*

Class H Gross Accumulation

Accounting Period to -	01/07/2021 - 31/12/2021 <i>(pence per share)</i>	01/07/2020 - 30/06/2021 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	149.17	144.21	141.84
Return before operating charges and property expenses*	4.63	8.33	5.09 ¹
Operating charges ²	(0.44)	(0.94)	(0.92)
Property expenses ²	(0.83)	(2.43)	(1.80) ¹
Return after operating charges and property expenses*	3.36	4.96	2.37
Distributions	(1.34)	(2.12)	(2.73)
Retained distributions on accumulation shares	1.34	2.12	2.73
Closing net asset value per share	152.53	149.17	144.21

*After direct transaction costs of ³:

	0.58	0.14	0.48
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Performance

Return after charges	2.25%	3.44%	1.67%
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Other Information

Closing net asset value (£'000)	17,724	13,559	16,140
Closing number of shares	11,620,179	9,089,698	11,192,305
Operating charges ⁴	0.58%	0.64%	0.64%
Property expense ratio ⁵	1.10%	1.67%	1.25%
Direct transaction costs	0.38%	0.10%	0.33%

Prices

Highest share price	152.60	149.20	144.60
Lowest share price	149.20	144.20	141.90

¹ Restated, to include the property expenses per share.

² Operating cost and property expense for the six-month period ended 31st December 2021.

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 sub-fund and is calculated based on the last year's figures. 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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Sub-fund Information (continued)

Comparative Tables (continued)

Class X Accumulation

Accounting Period to -	01/07/2021 - 31/12/2021 <i>(pence per share)</i>	01/07/2020 - 30/06/2021 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	140.50	137.36	136.78
Return before operating charges and property expenses*	4.24	7.86	4.70 ¹
Operating charges ²	(1.20)	(2.41)	(2.40)
Property expenses ²	(0.78)	(2.31)	(1.72) ¹
Return after operating charges and property expenses*	2.26	3.14	0.58
Distributions	(0.37)	(0.46)	(0.94)
Retained distributions on accumulation shares	0.37	0.46	0.94
Closing net asset value per share	142.76	140.50	137.36
*After direct transaction costs of ³ :	0.54	0.14	0.46
Performance			
Return after charges	1.61%	2.29%	0.42%
Other Information			
Closing net asset value (£'000)	40	60	46
Closing number of shares	28,337	42,508	33,159
Operating charges ⁴	1.68%	1.74%	1.74%
Property expense ratio ⁵	1.10%	1.67%	1.25%
Direct transaction costs	0.38%	0.10%	0.33%
Prices			
Highest share price	142.80	140.60	138.10
Lowest share price	140.50	137.40	136.90

¹ Restated, to include the property expenses per share.

² Operating cost and property expense for the six-month period ended 31st December 2021.

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 sub-fund and is calculated based on the last year's figures. 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 2021

	£'000	2021 £'000	£'000	2020 £'000
Income				
Net capital gains		948		471
Revenue	1,222		1,088	
Expenses	<u>(806)</u>		<u>(834)</u>	
Net revenue before taxation	416		254	
Taxation	<u>—</u>		<u>—</u>	
Net revenue after taxation for the period		<u>416</u>		<u>254</u>
Total return before distributions		1,364		725
Distributions		<u>(598)</u>		<u>(271)</u>
Change in net assets attributable to shareholders from investment activities		<u><u>766</u></u>		<u><u>454</u></u>

Statement of Change in Net Assets Attributable to Shareholders

(unaudited) for the period ended 31st December 2021

	£'000	2021 £'000	£'000	2020 £'000
Opening net assets attributable to shareholders*		63,007		61,228
Amounts receivable on issue of shares	14,980		2,935	
Amounts payable on cancellation of shares	<u>(6,404)</u>		<u>(5,047)</u>	
		8,576		(2,112)
Dilution adjustment		—		(15)
Change in net assets attributable to shareholders from investment activities		766		454
Retained distribution on accumulation shares		233		164
Closing net assets attributable to shareholders		<u><u>72,582</u></u>		<u><u>59,719</u></u>

* The opening net assets attributable to shareholders for 2021 differs to the closing position in 2020 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 2021

	31/12/2021 £'000	30/06/2021 £'000
Assets		
Fixed assets:		
Investment Property	56,646 ¹	51,167 ^{1,2}
Investment in Collective Investment Schemes	6,425	5,425
Current assets:		
Debtors	272	1,894
Cash and bank balances	9,687	5,229
Total assets	73,030	63,715
Liabilities		
Creditors:		
Distributions payable	(204)	(429)
Other creditors	(244)	(279)
Total liabilities	(448)	(708)
Net assets attributable to shareholders	72,582	63,007

¹ A Material Valuation Uncertainty clause has been attached to the valuation of the Spectrum properties which have been certified by the SIV.

² The audit of the 30th June 2021 financial statements is still in progress as at 28th February 2022 due to the fact that a Material Valuation Uncertainty clause has been attached to the valuation of the Spectrum properties.

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Cash Flow Statement

(unaudited) for the period ended 31st December 2021

	31/12/2021	30/06/2021
	£'000	£'000
Cash flows from operating activities:		
Change in net assets attributable to shareholders from investment activities	766	816
Distributions	598	837
Net capital gains:		
Non-derivative gains	(1)	(25)
Immovable properties	(947)	(1,149)
Increase in creditors	30	28
Increase in debtors	(27)	(23)
Net cash inflow from operating activities	419	484
Cash flows from investing activities:		
Payments to acquire investments	(5,954)	(504)
Receipts from sales of investments	1	1,699
Net cash (outflow)/inflow from investing activities	(5,953)	1,195
Cash flows from financing activities:		
Amounts received on creations of shares	16,639	12,000
Amounts paid on cancellation of shares	(6,478)	(13,039)
Distributions paid	(169)	(126)
Net cash inflow/(outflow) from financing activities	9,992	(1,165)
Net increase in cash and cash equivalents in period	4,458	514
Cash and cash equivalents at the start of the period	5,229	4,715
Cash and cash equivalents at the end of the period	9,687	5,229

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 2021. 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 2021

First Interim Accumulation Class A Retail Gross Accumulation (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue 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
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

First Interim Accumulation Class B Retail Net Accumulation (in pence per share)*

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0038
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0038
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 2021 (continued)

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

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Income	Income Tax at 0%	Net Income	Equalisation	2021 Net Distribution Paid	2020 Net Distribution Paid
Property Revenue Stream						
1	0.7606	0.0000	0.7606	–	0.7606	0.0000
2	0.1800	0.0000	0.1800	0.5806	0.7606	0.0000
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

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

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.2312	0.0000	0.2312	–	0.2312	0.2330
2	0.1957	0.0000	0.1957	0.0355	0.2312	0.2330
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 2021 (continued)

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

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2021 Net Distribution Paid	2020 Net Distribution Paid
Property Revenue Stream						
1	0.7100	0.1420	0.5680	–	0.5680	0.0000
2	0.6951	0.1390	0.5561	0.0119	0.5680	0.0000
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

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

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.2240	0.0448	0.1792	–	0.1792	0.1687
2	0.1059	0.0212	0.0847	0.0945	0.1792	0.1687
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 2021 (continued)

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

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Income	Income Tax at 0%	Net Income	Equalisation	2021 Net Distribution Paid	2020 Net Distribution Paid
Property Revenue Stream						
1	0.6945	0.0000	0.6945	–	0.6945	0.2920
2	0.6232	0.0000	0.6232	0.0713	0.6945	0.2920
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

First Interim Accumulation Class E Institutional Gross Accumulation (in pence per share)****

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.2868	0.0000	0.2868	–	0.2868	0.1090
2	0.2868	0.0000	0.2868	0.0000	0.2868	0.1090
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 2021 (continued)

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

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.2829	0.0566	0.2263	–	0.2263	0.2367
2	0.2829	0.0566	0.2263	0.0000	0.2263	0.2367
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

First Interim Distribution Class G Institutional Net Income (in pence per share)****

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2021 Net Distribution Paid	2020 Net Distribution Paid
Property Revenue Stream						
1	0.2503	0.0501	0.2002	–	0.2002	0.2128
2	0.2503	0.0501	0.2002	0.0000	0.2002	0.2128
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 2021 (continued)

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

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.5714	0.0000	0.5714	–	0.5714	0.5655
2	0.5462	0.0000	0.5462	0.0252	0.5714	0.5655
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

First Interim Accumulation Class X Accumulation (in pence per share)****

Group 1: Shares purchased prior to 1st July 2021

Group 2: Shares purchased on or after 1st July 2021 to 30th September 2021

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.1319	0.0264	0.1055	–	0.1055	0.1270
2	0.1319	0.0264	0.1055	0.0000	0.1055	0.1270
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 2021 (continued)

Second Interim Accumulation Class A Retail Gross Accumulation (in pence per share)*

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0845
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0845
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

Second Interim Accumulation Class B Retail Net Accumulation (in pence per share)*

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

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	0.1434
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.1434
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 2021 (continued)

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

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Income	Income Tax at 0%	Net Income	Equalisation	2022 Net Distribution Paid	2021 Net Distribution Paid
Property Revenue Stream						
1	0.8482	0.0000	0.8482	–	0.8482	0.1643
2	0.2942	0.0000	0.2942	0.5540	0.8482	0.1643
Interest Stream						
1	0.0005	0.0000	0.0005	–	0.0005	0.0000
2	0.0002	0.0000	0.0002	0.0003	0.0005	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

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

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.4192	0.0000	0.4192	–	0.4192	0.2259
2	0.2063	0.0000	0.2063	0.2129	0.4192	0.2259
Interest Stream						
1	0.0002	0.0000	0.0002	–	0.0002	0.0000
2	0.0001	0.0000	0.0001	0.0001	0.0002	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 2021 (continued)

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

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2022 Net Distribution Paid	2021 Net Distribution Paid
Property Revenue Stream						
1	0.6896	0.1379	0.5517	–	0.5517	0.0000
2	0.4553	0.0911	0.3642	0.1875	0.5517	0.0000
Interest Stream						
1	0.0002	0.0000	0.0002	–	0.0002	0.0000
2	0.0001	0.0000	0.0001	0.0001	0.0002	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

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

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.4099	0.0820	0.3279	–	0.3279	0.2084
2	0.2069	0.0414	0.1655	0.1624	0.3279	0.2084
Interest Stream						
1	0.0002	0.0000	0.0002	–	0.0002	0.0000
2	0.0001	0.0000	0.0001	0.0001	0.0002	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 2021 (continued)

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

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Income	Income Tax at 0%	Net Income	Equalisation	2022 Net Distribution Paid	2021 Net Distribution Paid
Property Revenue Stream						
1	0.8370	0.0000	0.8370	–	0.8370	0.2242
2	0.1064	0.0000	0.1064	0.7306	0.8370	0.2242
Interest Stream						
1	0.0002	0.0000	0.0002	–	0.0002	0.0000
2	0.0000	0.0000	0.0000	0.0002	0.0002	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

Second Interim Accumulation Class E Institutional Gross Accumulation (in pence per share)****

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.4845	0.0000	0.4845	–	0.4845	0.0000
2	0.4845	0.0000	0.4845	0.0000	0.4845	0.0000
Interest Stream						
1	0.0002	0.0000	0.0002	–	0.0002	0.0000
2	0.0000	0.0000	0.0000	0.0002	0.0002	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 2021 (continued)

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

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.4735	0.0947	0.3788	–	0.3788	0.2660
2	0.4735	0.0947	0.3788	0.0000	0.3788	0.2660
Interest Stream						
1	0.0002	0.0000	0.0002	–	0.0002	0.0000
2	0.0002	0.0000	0.0002	0.0000	0.0002	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

Second Interim Distribution Class G Institutional Net Income (in pence per share)****

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2022 Net Distribution Paid	2021 Net Distribution Paid
Property Revenue Stream						
1	0.4363	0.0873	0.3490	–	0.3490	0.2406
2	0.4363	0.0873	0.3490	0.0000	0.3490	0.2406
Interest Stream						
1	0.0002	0.0000	0.0002	–	0.0002	0.0000
2	0.0002	0.0000	0.0002	0.0000	0.0002	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

TM Hearthstone ICVC

TM home investor fund

Distribution Tables

(unaudited) for the period ended 31st December 2021 (continued)

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

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.7680	0.0000	0.7680	–	0.7680	0.5561
2	0.3786	0.0000	0.3786	0.3894	0.7680	0.5561
Interest Stream						
1	0.0002	0.0000	0.0002	–	0.0002	0.0000
2	0.0001	0.0000	0.0001	0.0001	0.0002	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

Second Interim Accumulation X Accumulation (in pence per share)

Group 1: Shares purchased prior to 1st October 2021

Group 2: Shares purchased on or after 1st October 2021 to 31st December 2021

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2022 Net Accumulation	2021 Net Accumulation
Property Revenue Stream						
1	0.3286	0.0657	0.2629	–	0.2629	0.1662
2	0.2070	0.0414	0.1656	0.0973	0.2629	0.1662
Interest Stream						
1	0.0002	0.0000	0.0002	–	0.0002	0.0000
2	0.0001	0.0000	0.0001	0.0001	0.0002	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

* There were no current accumulations as the share class became inactive on 5th February 2021.

** There are no comparative figures as the share class became active on 6th October 2020.

*** There are no comparative figures as the share class became active on 18th June 2021.

**** There were no group 2 shares for this period.

There was no split made to Interest Stream and Dividend Stream due to immateriality for the period from 1st July 2021 to 30th September 2021 of the current period.

TM Hearthstone ICVC

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.



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