

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you do not understand it, you should consult your financial adviser immediately.

30th October 2023

Dear Investor

Termination of the TM home investor fund and TM home investor feeder fund, together "the Funds".

Following the notice sent to you on 1st August 2023 regarding the suspension of dealing in the Funds (the "Suspension Notice"), Thesis Unit Trust Management Limited as the Funds' authorised fund manager (AFM) are now writing to you to confirm that, following consultation with the Funds' Depository (NatWest Trustee and Depository Services Limited), we have decided to terminate the Funds.

The termination of the Funds will formally commence from 1 December 2023 (the "Effective Date").

The termination of the respective Funds does not require investor approval and you do not need to take any action; however, we encourage you to read this letter as it contains important information about your investment.

Why have we decided to terminate the Funds?

Several factors including, we believe, ongoing uncertainty over the future of frequently dealt open-ended funds invested in direct (physical) property, and the potential introduction of between 90 and 180 day notice periods for redemptions, together with reduced investor sentiment caused by rising interest rates, have combined to cause existing investors to redeem their investments and acted as a disincentive to new investors to invest.

Prior to the issue of the Suspension Notice, the Funds had been reducing in size because investors had been selling their investments and the rate of investor redemption requests had increased further.

Whilst the Funds have been suspended, the Property Investment Manager (Hearthstone Asset Management Limited) has been selling property assets to increase the amount of cash held within the Funds.

However, if the suspension was lifted in the near future, we anticipate increased redemptions in an environment where it would still be difficult to attract new investors and, as a consequence, we would not be able to meet these redemption requests and retain enough cash in the Funds to meet further anticipated redemptions, which would result in another suspension.

We have also considered whether we could merge the Funds with another fund. However, in light of the factors above and that no suitable alternative was found, we have determined that it is in the best interests of all investors that we terminate the Funds and return capital to all investors.

What happens next?

From the Effective Date, we will commence the closure of the Funds, a process known under the relevant rules as the termination of the Funds. Investors will continue to be unable to trade in the Funds and instead will receive a proportion of their investment in the Fund(s) from the cash currently held in the Funds as a capital distribution. This represents approximately 6% of the value of the total scheme property.

This initial capital distribution will be made on a pro-rata basis, and we intend to make this payment at the beginning of December 2023.

Thereafter, it is our intention to make capital distributions to investors on a pro-rata basis at quarterly intervals, aligned with the income distribution dates (as set out in the respective Fund's prospectus). If there is not enough cash raised from the sale of the property assets during a quarterly period to make a distribution in excess of 5% of the value of the scheme property, then any cash held will be carried forward with a view to making a distribution at the end of the following quarter.

This process will continue until all assets have been sold, at which point, the terminations will be finalised, and a final payment sent to investors.

Given the illiquid nature of property (this asset type cannot be readily converted to cash), and based on similar fund terminations of this type, this process may take more than 24 months to ensure that property is not required to be sold at a substantial discount to its open market value.

Cost of the termination of the Funds

The legal costs of the termination will be borne by the Property Investment Manager.

Any other termination costs (including audit costs and the costs of selling the underlying assets) will be minimised wherever possible and will be borne by the Funds.

Tax consequences

All capital distribution payments made to investors will be treated as a disposal for UK tax purposes.

Depending on your individual personal circumstances this may result in a Capital Gains Tax liability.

Income distributions will continue to be made as usual throughout the termination process and how this is treated from a tax perspective will not change. Further details are set out in the respective Fund's prospectus.

Whilst you do not need to take any action as a result of this letter, you may wish to talk to your financial adviser if you are in any doubt regarding your tax position.

Contact

Should you require any further assistance, please do not hesitate to contact the AFM on 0333 300 0375, between 9.00am and 5.00pm (Monday to Friday), or by writing to us at the address below, or by emailing projects@tutman.co.uk.

Alternatively, you may contact the Client Services Team at the Property Investment Manager (Hearthstone Asset Management Limited) on 020 3301 1300, or by e-mailing info@hearthstone.co.uk.

If you require any special assistance or have additional needs (for example, you require this document in large print, braille or audio), please get in touch with us.

If you are deaf, have hearing loss or are speech impaired, you can contact us by using the **Relay UK** service. You can do this either by using the free app on your smartphone, tablet or computer, or by dialling 18001 before our number using your textphone. The Relay UK service is free, and you will only pay your normal charges for the call.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized 'J' followed by a 'V' and a flourish.

**For and on behalf of
Thesis Unit Trust Management Limited**