



2025 Impact and
sustainability report

Introduction

Welcome to our 2025 impact and sustainability report. In this report, we have expanded on previous work, looking at four areas where we make a positive difference. Each is illustrated by data from our portfolios, bringing theory to life.

1 ECONOMIC IMPACT

By supporting the delivery of new homes nationwide and managing them over time, we generate lasting, sustainable economic value for towns and cities across the country.

2 PLACEMAKING

Our investments create additional rental homes in regions with high local demand and play an important role for these housing markets. Our investment process ensures residents can enjoy safe communities, access to green space and availability of key services.

3 SOCIAL IMPACT

Ensuring homes are affordable to people in each location is embedded in our investment process. We also aim to provide a professional service to residents, measure and seek to improve resident satisfaction, and respond proactively to feedback.

4 ENVIRONMENTAL IMPACT

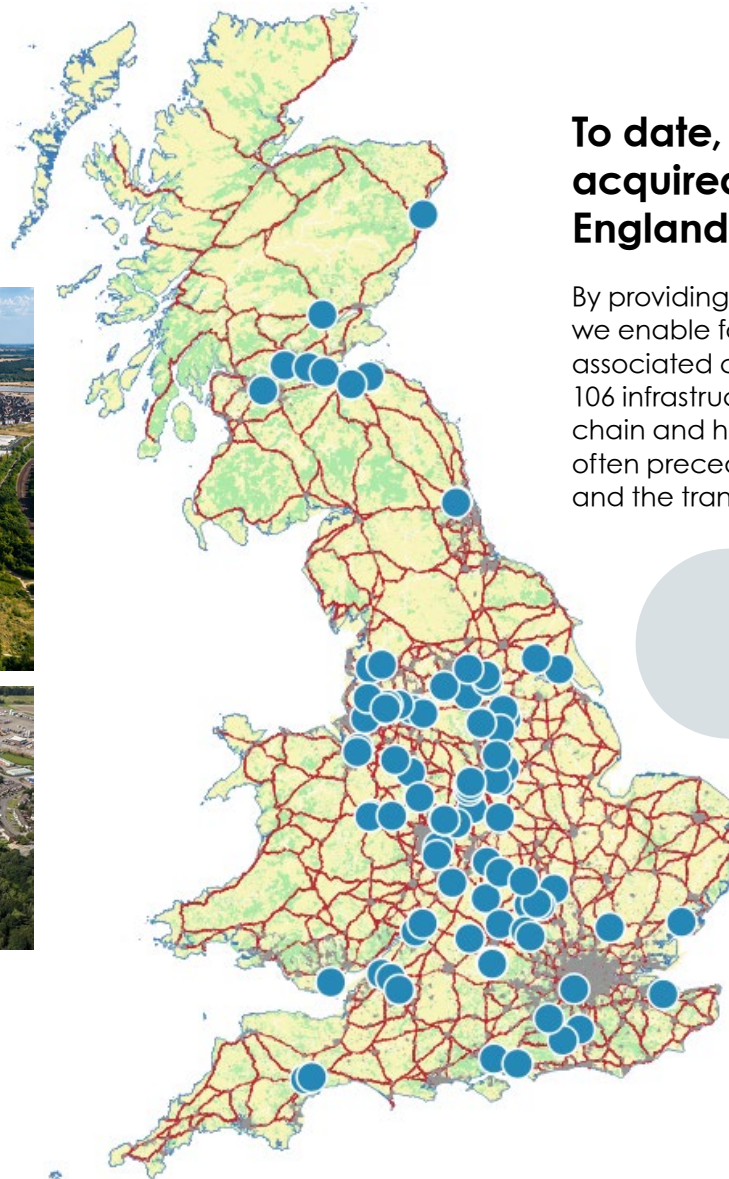
Our homes already have a significantly lower carbon footprint than the average UK home. With recently implemented regulations in England and Scotland, new homes will no longer be able to have gas boilers, a major additional step towards lower carbon emissions.



1 ECONOMIC IMPACT

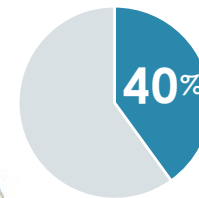


Impact across the country



To date, Hearthstone Investments has acquired over 1,800 homes spread across England, Scotland and Wales.

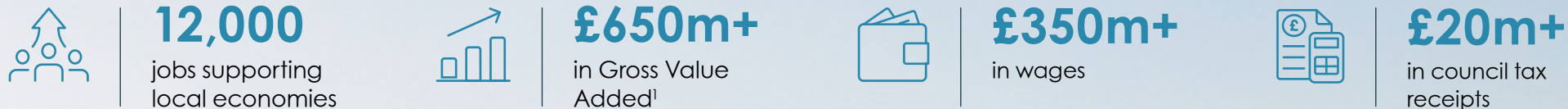
By providing certainty to national, regional and SME housebuilders, we enable faster delivery not only of new housing, but also of associated commercial space, community facilities and Section 106 infrastructure. This supports local employment across the value chain and helps unlock wider regeneration, with development often preceded by significant investment in regional infrastructure and the transformation of brownfield sites.



Brownfield sites
(by units, December 2025)

Measurable economic impact

Since 2018, investments made by UK Pension funds with Hearthstone Investments have generated an estimated:



Note: estimated economic impact of Hearthstone Investments was calculated using the ONS input output and employment multipliers. Data as at 2023, published December 2025. The council tax receipts estimated using 2025 – 2026 UK Band D average.

1. Gross Value Added measures the contribution to the economy of each individual producer, industry or sector. It represents the value of goods and services produced, less the cost of inputs, and includes wages, profits and taxes.

Source: Hearthstone Investments, ONS



Regional employment

Our portfolios create **additional employment for third-party portfolio managers, contractors, agents, valuers and solicitors, as well as suppliers** of building materials and home installations.

Many of Hearthstone Investments' partner firms are **based regionally** as we work with contractors and agents local to our homes to ensure quick response times and benefit from local market insights.

Total **ongoing spending** for portfolio and lettings management, as well as maintenance, **exceeds £5m per annum.**

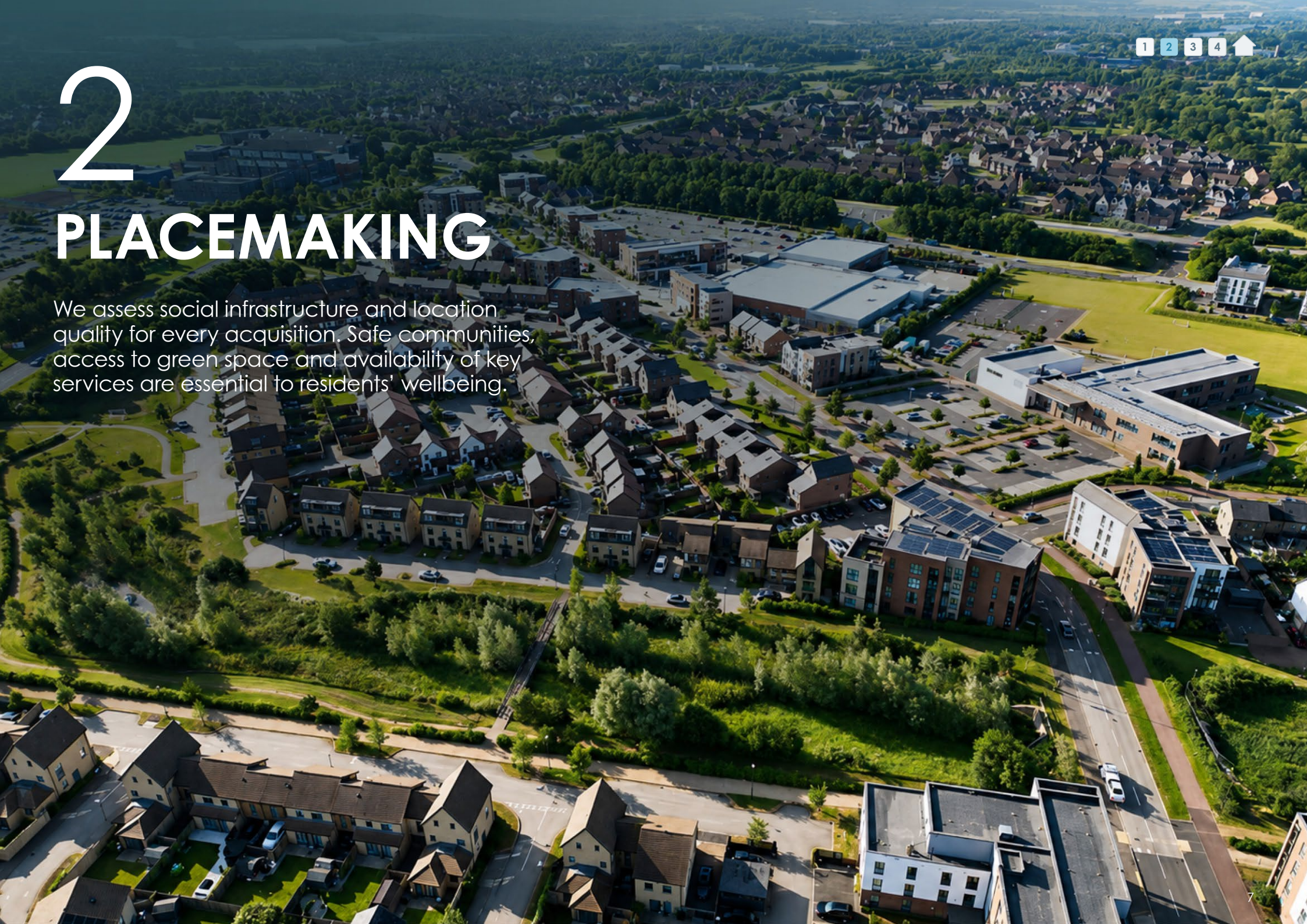
-  Third party portfolio managers
-  Solicitors/Valuers
-  Local contractors and agents service sites **across England, Wales and Scotland**



2

PLACEMAKING

We assess social infrastructure and location quality for every acquisition. Safe communities, access to green space and availability of key services are essential to residents' wellbeing.

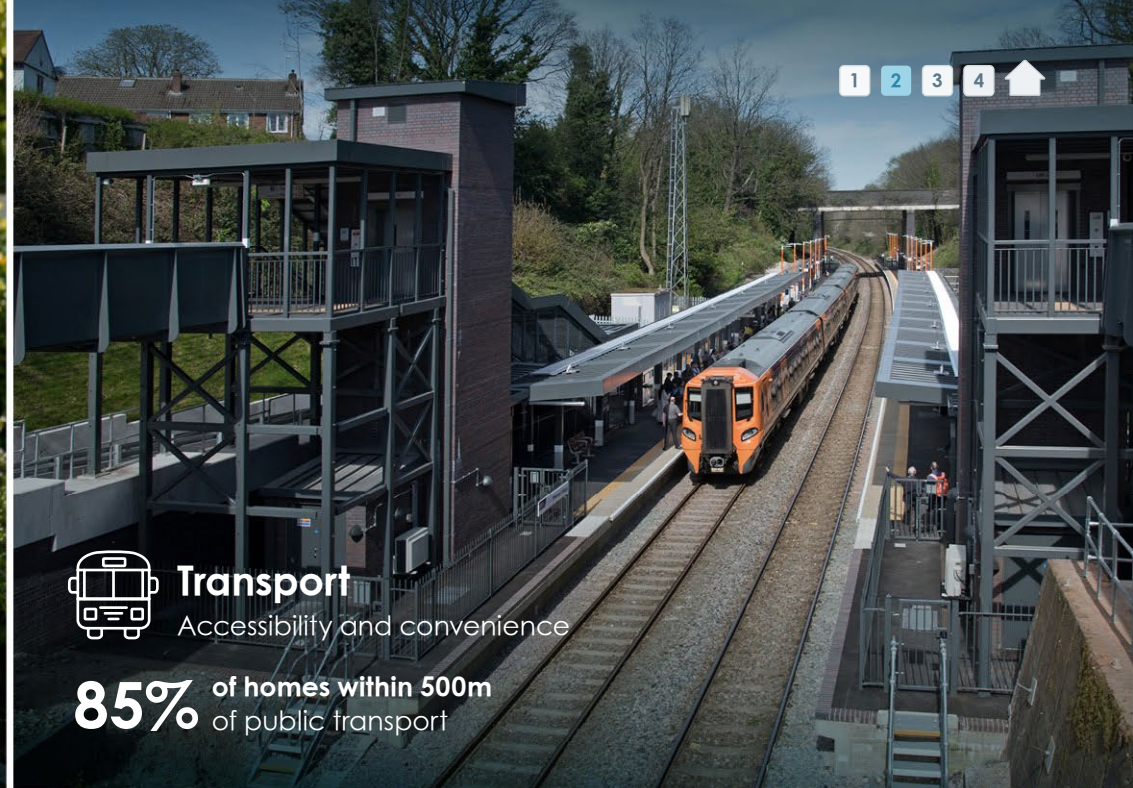




Environment

Access to green space, neighbourhood and landscape quality, security

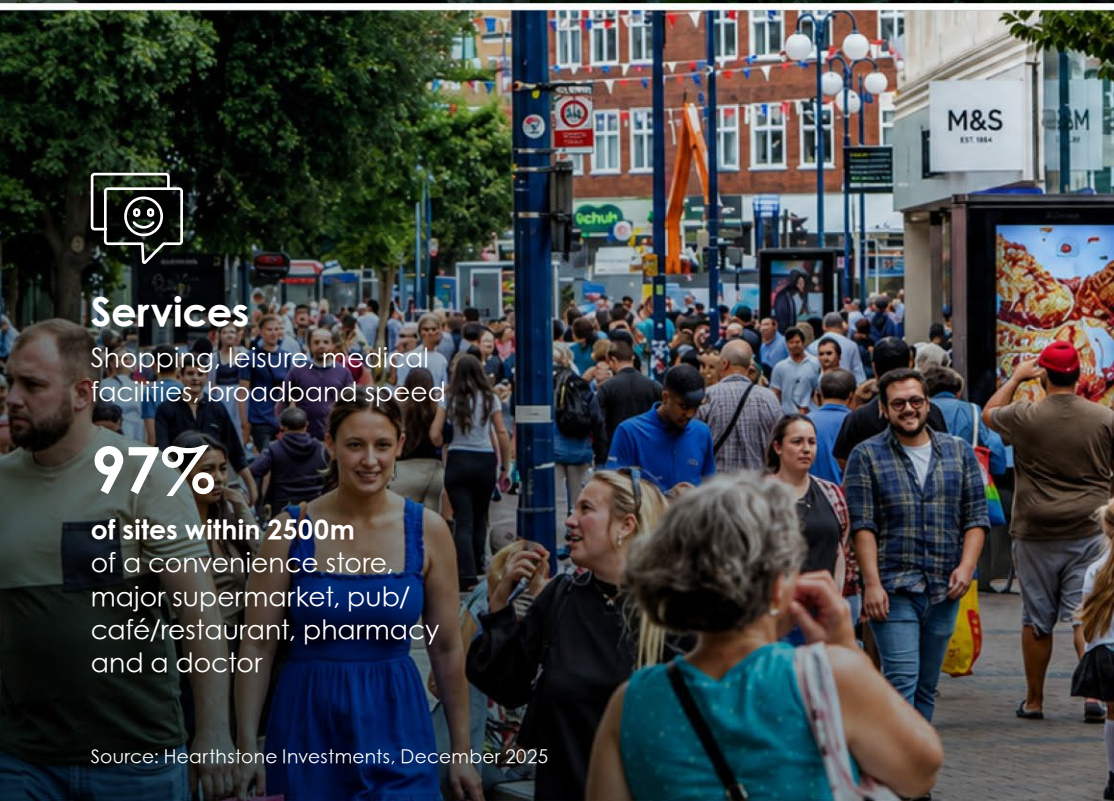
86% of homes within 250m of public green space



Transport

Accessibility and convenience

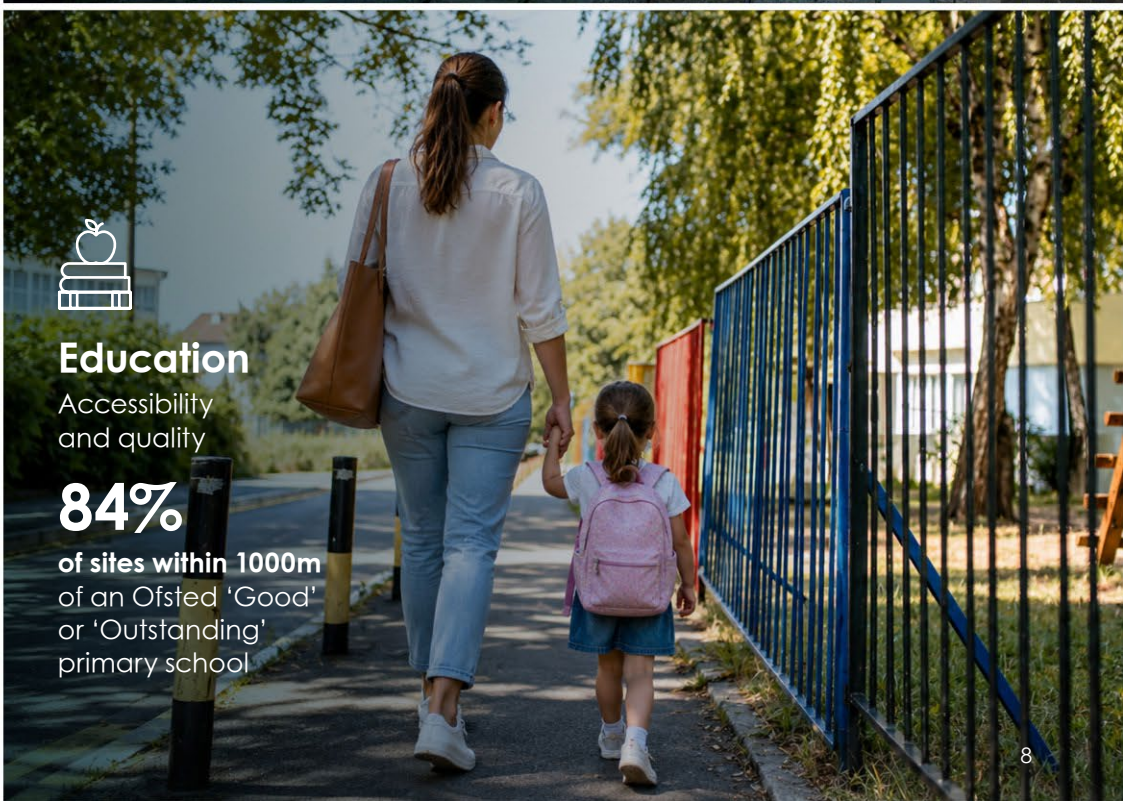
85% of homes within 500m of public transport



Services

Shopping, leisure, medical facilities, broadband speed

97% of sites within 2500m of a convenience store, major supermarket, pub/café/restaurant, pharmacy and a doctor



Education

Accessibility and quality

84% of sites within 1000m of an Ofsted 'Good' or 'Outstanding' primary school

Meeting local demand

Our site selection process aims to identify areas with a particular supply/demand imbalance, where more high-quality rental homes are urgently needed.



60% of residents moved 10 miles or less

Cumulative percentage of residents by distance moved (miles)

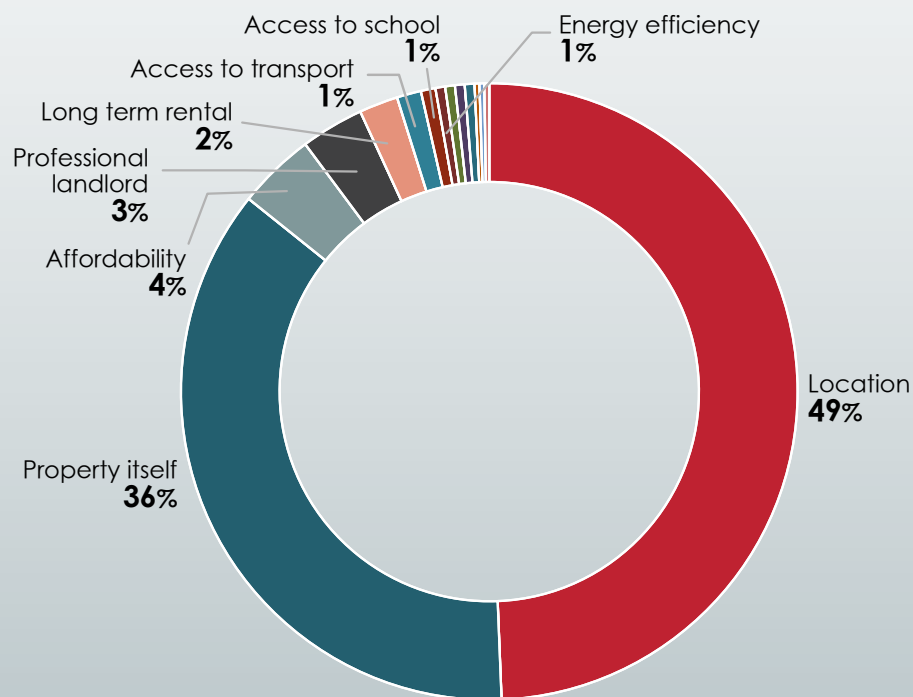
Less than 1	Up to 5	Up to 10	Up to 25	Up to 50	Up to 100	Up to 200	All of the UK	Total
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Source: HRF1, HRF2, segregated mandate

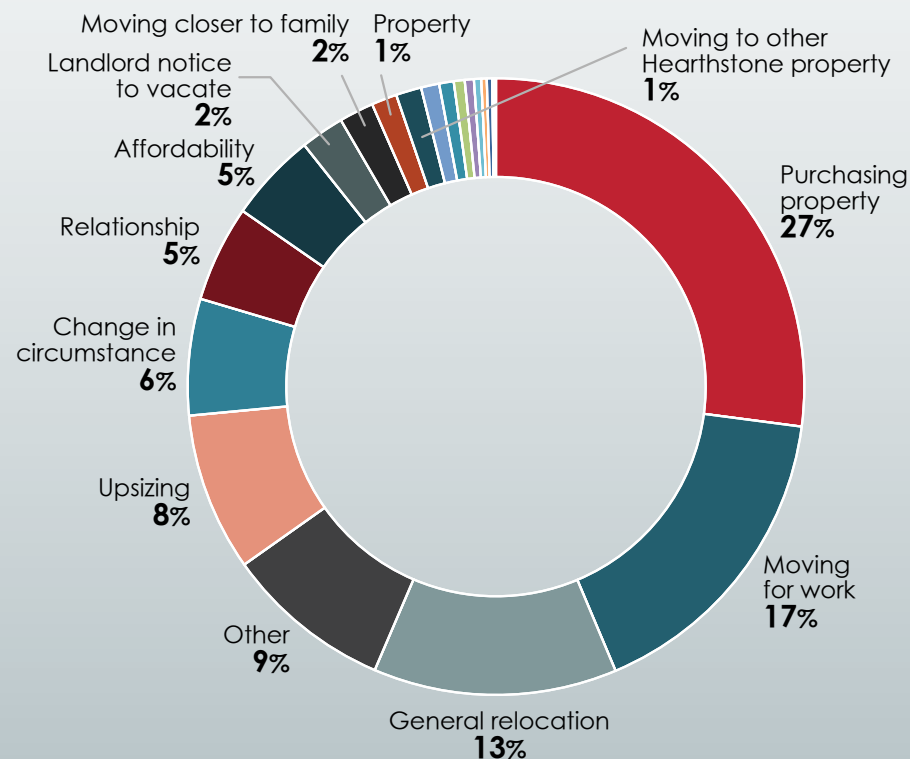


Understanding our residents' choices

We asked our residents why they moved to a Hearthstone home, and why they left



85% of residents chose a Hearthstone home for its location or the property itself



While over a quarter of residents left because they were purchasing their own property

3

SOCIAL IMPACT



81%

of homes let by Hearthstone Investments are affordable to local residents¹

1. Assuming rent is no more than 33% of the household income.

Affordability threshold = average rent of Hearthstone homes in the local area as a proportion of disposable household income, as defined by the ONS (net of income tax and National Insurance).

Affordability

Ensuring homes are affordable to private renters on average incomes is embedded in our investment strategy and process.

Across the UK we provide homes to a broad range of residents including **families, young professionals** and **key workers**.

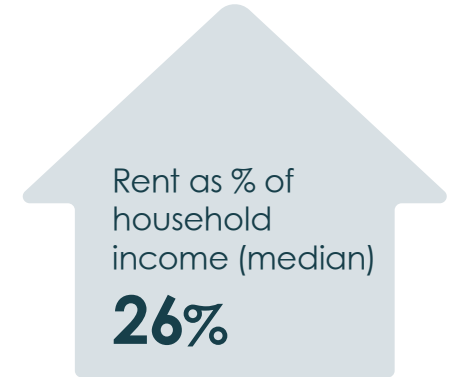
Average income

Great Britain:
£38,220

Hearthstone Investments' residents:
£29,400¹

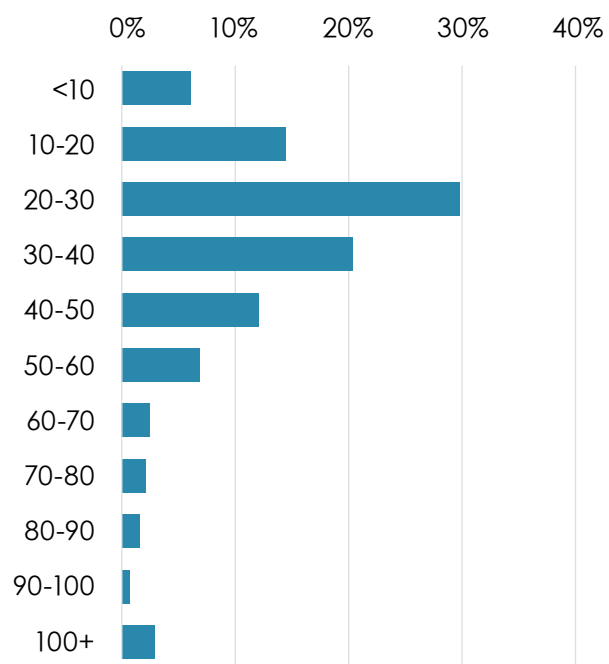


Key workers:
28%

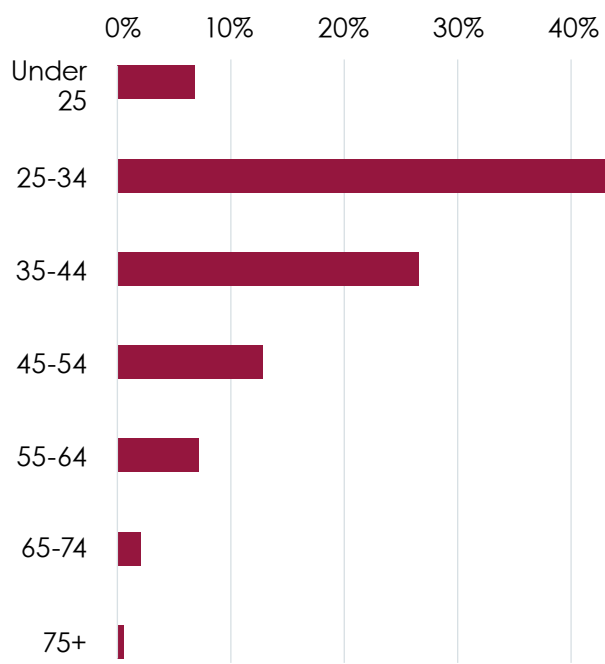


Homes attracting a broad range of people

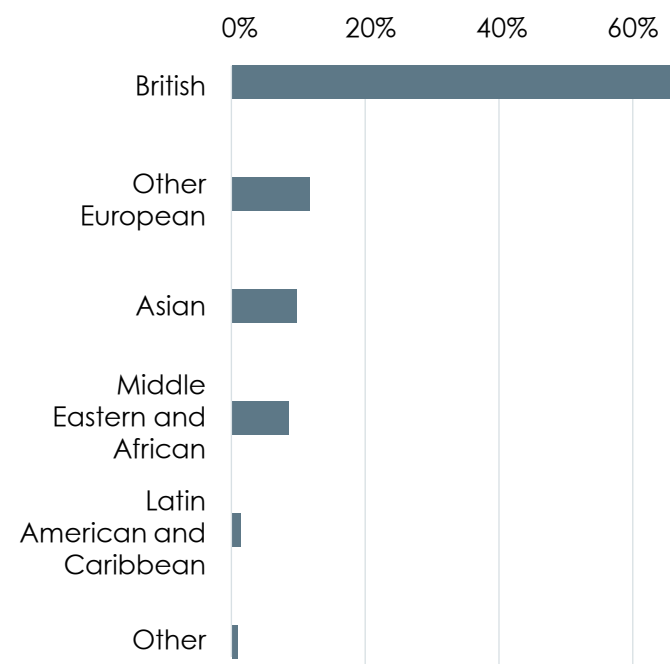
Individual income profile (£000s p.a.)



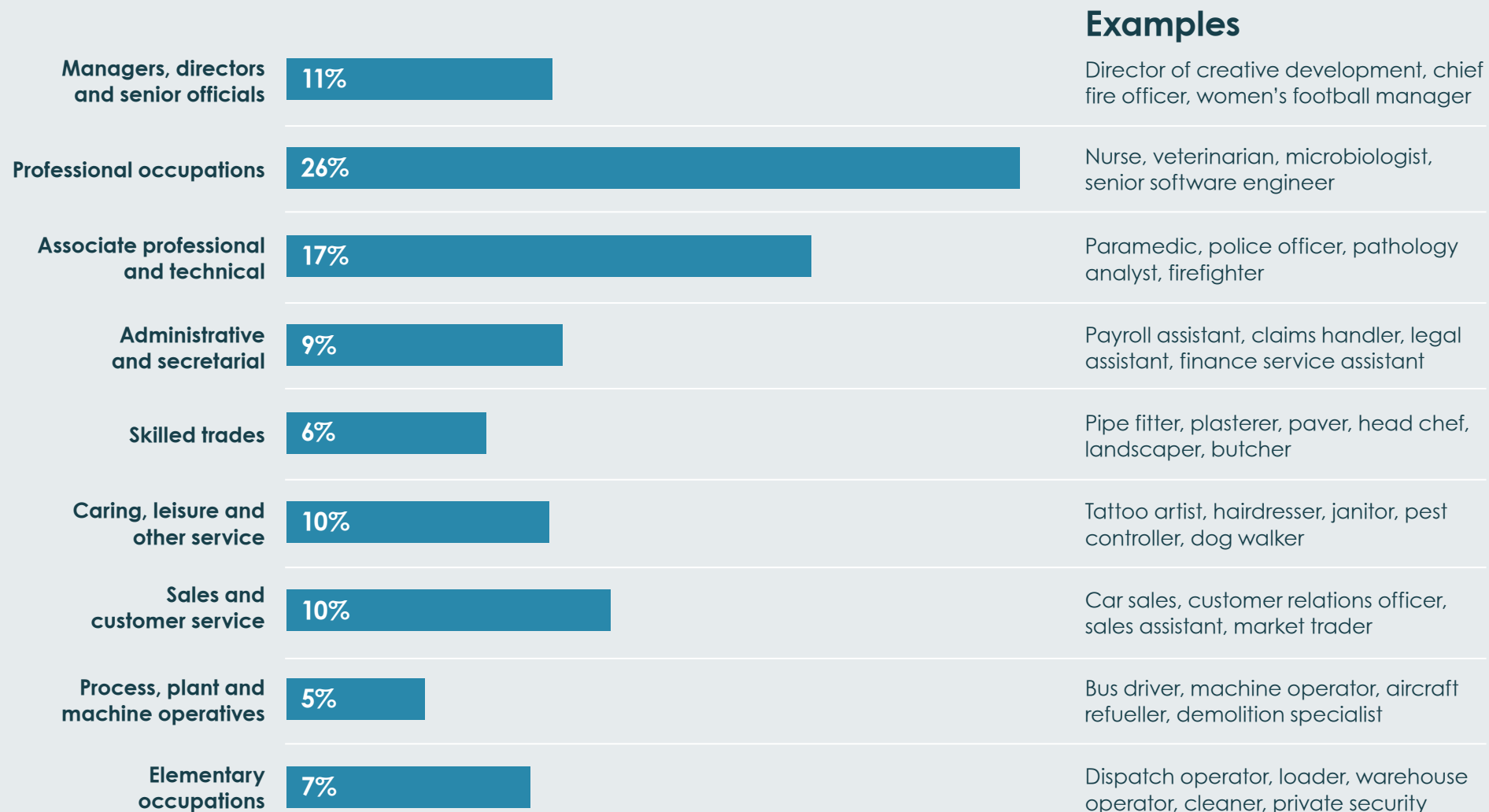
Adult resident age profile (years)



Nationality



Resident occupations



Resident feedback

We undertake annual resident satisfaction surveys to ensure high quality of service is maintained and identify areas for improvement.

"I've had a fantastic experience with both the landlord and the letting agent. They've been professional, responsive, and genuinely helpful throughout my tenancy."

"Had a good experience, we both love the house and the location. We have had some issues in the past 6 months but all have been sorted now."

"I have lived here for over 5 years, and we're very happy indeed! Any issues are quickly resolved and there's always somebody to assist with a query."

"We would like to take this opportunity to thank you and the team for your excellent service and support during our tenancy. It has been a pleasure residing in the property."

"Superb! Supportive, helpful and work to sort out any issues as quickly as possible."

"I have lived in the property for over three years now and I have never had an issue in all that time. The service has been very friendly, responsive, efficient, clear and fair."

"Any faults reported have been dealt with quickly and efficiently. Annual inspections assure me the property is looked after by the landlord."



89%

Rated their overall experience so far as 'good' or 'excellent'



4

ENVIRONMENTAL IMPACT

Supporting the transition to lower carbon homes

Hearthstone homes **generate 63% less CO₂** than a typical UK home



Carbon emissions from homes acquired and managed by Hearthstone Investments are on average nearly three times below a typical home in the UK.



Building regulations in the UK are driving the transition to all new homes becoming fossil fuel free.

CO₂ emissions
(tonnes per annum)

Average Hearthstone home¹

1.2

Average UK home²

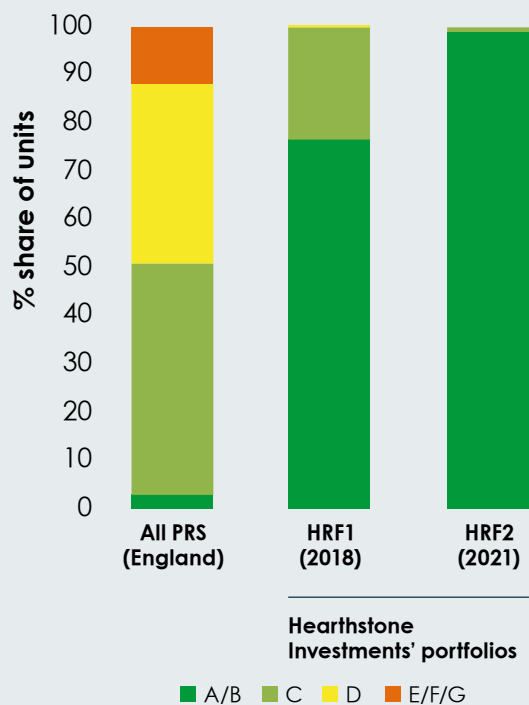
3.2



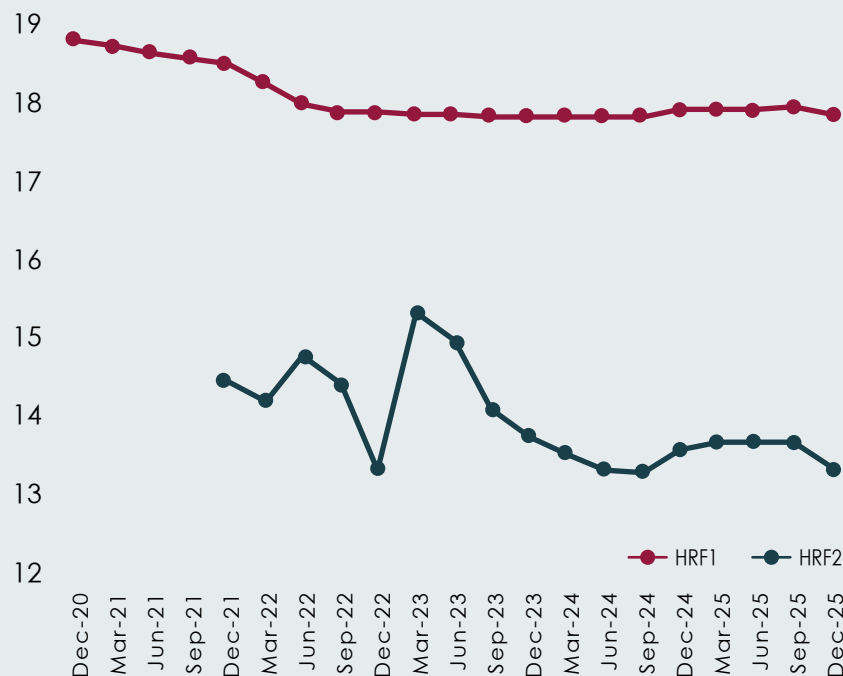
1. Actuals across Hearthstone Investments' portfolios, December 2025
2. Source: ONS, October 2025

Better energy performance and lower emissions over time

Energy performance ratings
vs. average housing stock



Carbon intensity
(CO₂ kg/sqm per annum)



Hearthstone Investments typically acquires new and modern homes. With minimum energy efficiency standards within building regulations progressively increasing, new homes acquired become more energy efficient over time.

In addition, Hearthstone Investments' continuous asset management programmes further reduce energy consumption.

About Hearthstone Investments



Specialists in **affordable** private rented housing

Over **£400m** under management

Managing a portfolio of over 1,700 homes



Broad and deep UK residential property **experience**

Three funds and one segregated mandate



11 UK local government pension scheme clients and a leading charity fund



Our values



Focus

Hearthstone Investments' proposition is 100% focused on UK affordable private rented housing. The sector is still relatively new for institutional investors and keeps evolving. All our team's resources are aimed at constantly improving our knowledge, capabilities, and network in this market.



Rigour

We apply the most rigorous processes across our business, from recruiting and training team members, to the selection and oversight of service providers, and through the risk controls embedded in our investment processes.

Across our investment committees and boards, we ensure a blend of deep and diverse experience amongst our executive and non-executive directors.



Commitment

Long term relationships are a key success factor for our business.

We want residents to stay in their homes for as long as possible. We want our investors to earn the returns and achieve the impact they expect. We want to build long term relationships with housebuilders and agents, as well as our third-party providers for activities such as property management, conveyancing or valuation. We want our team to enjoy their work and give everyone room to grow. Commitment is key to all we do – because it makes business sense.



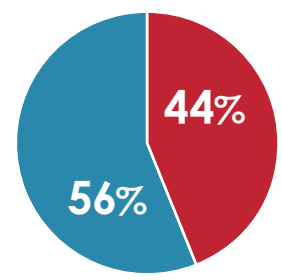


Our team

We want working at Hearthstone to be a rewarding experience – both on a day-to-day basis and in the context of everyone’s longer term career progression.

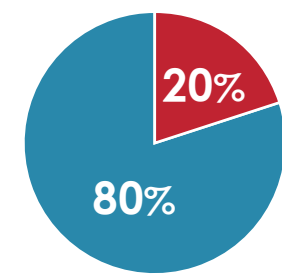
We apply a flexible approach to individual’s circumstances to ensure colleagues can balance their evolving work-life situations in areas such as parental leave, working from home or being close to family during challenging times.

Our recruitment and staff policies encourage continued focus on diversity and inclusion, as well as ongoing personal and professional development.



Employees

- Male
- Female



Board

- Male
- Female

Governance

UN Principles for Responsible Investment

Hearthstone is a signatory to the UN Principles of Responsible Investment. The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

As a signatory, Hearthstone is publicly committed to the six Principles for Responsible Investment. These principles guide our ESG governance at all levels – corporate, fund/mandate and individual asset.

Signatory of:

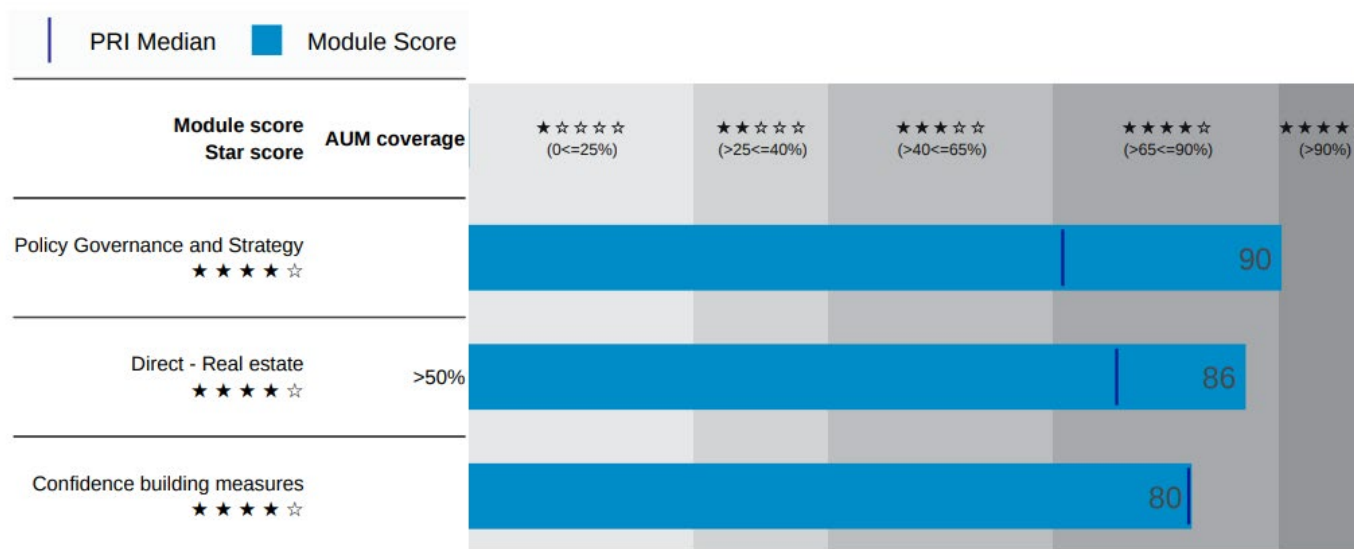


2025 Assessment Report

Hearthstone Investments achieved a **4-star rating** across all reported modules in 2024.

The full Public Transparency Report can be accessed via the UN PRI data portal: <https://ctp.unpri.org/dataportalv2/>

SUMMARY SCORECARD



Industry collaboration

We engage with stakeholders that touch our operations, mainly investors, housebuilders, portfolio managers, valuers and conveyancers, and industry colleagues including our Alternative Investment Fund Managers (AIFMs).

We seek to promote our values and ambitions across the industry, at both corporate and individual level. Hearthstone Investments is an active member of a number of industry organisations to ensure we are at the forefront of industry and policy debates and developments, and to make our voice heard.



The Future Homes Hub is an independent organisation that facilitates the collaboration needed to meet climate and environmental challenges in the UK's new homes sector.

The Hub brings together the homebuilding sector including the wider supply chain, infrastructure, finance, investment and government organisations with the aim to deliver the government's legally binding net zero and wider environmental targets, whilst building high-quality homes at scale.



The Local Government Pension Scheme Advisory Board is a body set up under Section 7 of the Public Service Pensions Act 2013 and The Local Government Pension Scheme Regulations 110-113. It seeks to encourage best practice, increase transparency and coordinate technical and standards issues.

Hearthstone Investments' funds for institutional investors comply with the LGPS Advisory Board's code of transparency which promotes best practice in fee and cost disclosures.

INREV

INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. It is Europe's leading platform for sharing knowledge on the non-listed (unlisted) real estate industry. Its goal is to improve transparency, professionalism and best practice across the sector, making the asset class more accessible and attractive to investors.



Pensions for Purpose is dedicated to supporting the UK investment industry in accelerating the flow of capital towards impact investments, creating positive outcomes for people and the planet. The team facilitates sharing best practice, showcasing case studies and delivering innovative solutions via a range of channels for its 400 member organisations.



Rebuilding lives in challenging times



Community impact

In 2022, Hearthstone Investments started partnering with Leeds Action to Create Homes (LATCH) as its charity partner.

LATCH is a unique charitable organisation that refurbishes derelict and run-down houses in the Chapeltown, Harehills and Burley areas of Leeds. When they're fully modernised and furnished, the properties provide supported housing for people who are homeless or in housing need, and who are ready to make a positive change in their lives.



Hearthstone led a campaign to contribute to LATCH's food bank in the run up to Christmas 2025.

Contributions by the company, the team as well as some of the shareholders and contractors resulted in a donation that was equivalent to several months of the food bank's typical budget.

Important information

This report, and the data it contains, refers to residential property assets managed by Hearthstone Investments Limited. Where data refers to specific funds, this is disclosed, and mainly relates to Hearthstone Residential Fund 1 (“HRF1”) and Hearthstone Residential Fund 2 (“HRF2”).

This information is not intended for retail investors and is intended solely for professional investors. If you are not a professional investor or if this information is not suitable for you, please return it immediately, or initiate proceedings to opt-up.

This document is not in itself a prospectus, invitation to invest or advice. Where estimated or projected figures are used in this presentation these are clearly stated. Neither Hearthstone as Investment Adviser or Langham Hall Fund Management LLP as Fund Manager to the Funds can be held responsible for investment decisions made on the basis of performance data included in this document, including data which has been estimated or projected. Investors may get back less than the amount invested. Information on past performance is not necessarily a guide to future performance. The value of investments in the Funds can go down, and there can be no assurance that any appreciation in the value of investments will occur. Tax treatment depends on the individual circumstances of each investor and may be subject to change in future. Residential property values are affected by factors such as interest rates, economic growth, fluctuations in property yields and tenant default. Property investments are relatively illiquid compared to bonds and equities, and can take a significant amount of time to trade.

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