



24 February 2021

The Manager  
ASX Market Announcements  
ASX Limited  
Exchange Centre  
Level 4, 20 Bridge Street  
Sydney NSW 2000

Dear Shareholders,

Please find attached the Half Year to 31 December 2020 Results Announcement for Hearts and Minds Investments Limited.

For and on behalf of the board,

Tom Bloomfield  
Company Secretary



Dear Fellow Shareholder,

Hearts and Minds Investments Limited (ASX: HM1) today announced its results for the half year to 31 December 2020. HM1 achieved a 142% increase in Total Comprehensive Income net of tax to \$91.3 million for the half year. The result is reflective of the strong investment portfolio performance over the period. HM1's post-tax net tangible assets per share increased 12% over the half year to \$3.74 at 31 December 2020.

### Investment Portfolio Performance

The investment portfolio returned 15.8% for the half year net of expenses. This investment return was achieved despite the dampening impact of a strengthening Australian dollar which increased from US\$0.69 cents to US\$0.77 over the half year.

Since inception on 14 November 2018, HM1's investment portfolio has delivered a return of 75.2%, which is well in excess of the benchmark performance of 29.7%. The strong investment performance is partly attributable to favourable global markets offset by an increase in the Australian dollar over the period. However, the outperformance of the index is largely due to the stock selection of our participating fund managers and the concentrated nature of the portfolio.

Investment performance as of 31 December 2020	6 Months	1 Year	Since inception (14 Nov 2018)
HM1 investment portfolio performance	15.8%	34.2%	75.2%
MSCI World Net Total Returns (AUD) index	9.7%	5.6%	29.7%
Out/(Under) performance	6.1%	28.6%	45.5%

The HM1 investment portfolio performance, which is after expenses incurred, excludes tax paid or provided for so as to be comparable to the returns of the MSCI World Net Total Returns (AUD) index.

### Dividend

The Board of Directors are pleased to declare the company's first fully franked dividend of 12 cents per share payable on April 20, 2021. The Dividend Reinvestment Plan (DRP) will be in operation and participating shareholders can reinvest their cash dividend in new HM1 shares at the relevant DRP issue price. The relevant DRP issue price will be at a 2.5% discount to the volume weighted average price on the four trading days following the dividend record date. Eligible shareholders can elect to participate in the DRP or amend their current election online by [clicking here](#).

	Cents per ordinary share	Franking %
Dividend per ordinary share	12.0	100%

**Dividend dates:**

Ex-dividend date:	7 April 2021
Record date:	8 April 2021
DRP election date:	12 April 2021
Payment date:	20 April 2021

**Donations to Medical Research**

In line with its philanthropic objective, HM1 provides financial support to leading Australian medical research organisations in order to help the development of new medicines and treatments and drive a new generation of medical research in Australia. HM1 and its participating fund managers and service providers forego any fees and instead an amount equivalent to 1.5% of net tangible assets per annum is donated to designated charities.

In the half year to 31 December 2020 HM1 has paid \$5.2m in donations and accrued a further \$6.2m as at 31 December 2020. This accrued donation amount will be paid to HM1 beneficiaries during March 2021.

We sincerely thank our fund managers and service providers for their ongoing generosity in supporting the operations and objectives of HM1. We would also like to thank you, our shareholders, for supporting HM1's combined objective of providing a compelling and attractive investment proposition whilst also supporting the advancement of medical research in Australia.

For further information on HM1 and our results for the half year ended 31 December 2020, visit the HM1 website at [www.hm1.com.au](http://www.hm1.com.au).

Kind regards,



Chris Cuffe AO  
Chairman