



Wednesday, 28 November 2018

Deployment update

Dear Fellow Shareholder,

When I welcomed you as a shareholder of Hearts and Minds Investments Limited two weeks ago, I mentioned that we had deployed about half of the Core Portfolio. Since that time, we have continued to invest in the Core Portfolio and we now also have the benefit of the ideas that were presented at the annual Sohn Hearts and Minds Investment Leaders Conference which took place just over a week ago.

Core portfolio update

As of today, approximately 96% of the Core Manager fund allocation has been invested. On average, we have bought at prices that are 25% below the 6-month highs of the underlying companies.

Conference portfolio update

The annual Sohn Hearts and Minds Investment Leaders Conference was held in Melbourne on Friday 16 November. Those of you who were able to attend would hopefully have been impressed with the quality of the ideas presented. Since the conference, we have been active in the markets and have deployed approximately 90% of the Conference Portfolio allocation.

As a result of this recent buying, on a combined basis, we have deployed approximately \$460m.



NTA Update

You will have seen that today we released our first weekly NTA at \$2.4625. This is as at Friday 23 November.

As we have mentioned, we have been investing our capital at a time of high market volatility. Notwithstanding this short term negative NTA performance, we remain excited about the recommended companies and expect solid performance over the medium to long-term. To that end, we note that with the strong performance of our underlying investments over the last few days, the NTA as at the date of this letter is again above \$2.50.

We do not propose to make additional disclosures about our deployment rate or NTA updates other than the scheduled weekly NTA updates which will be released pre-market open each Wednesday morning as at the closing market values from the previous Friday.

Kind regards,

A handwritten signature in black ink, appearing to read "Chris Cuffe", is positioned above a light grey rectangular box.

Chris Cuffe

Chairman

Hearts and Minds Investments Limited