

## Investment objective

Provide a concentrated portfolio of long-only positions in 25-35 Australian and globally listed securities based on the highest conviction ideas from leading fund managers. The Company will forego any investment fees and instead donate to leading Australian medical research institutes.

## Portfolio Commentary

During September the investment portfolio fell 0.32%, compared to an increase of 2.02% in the MSCI World Net TR Index (AUD). Since inception the portfolio is up 21.2% while our benchmark index has increased 17.9% over the same period. For the month, our share price is up 1% to \$3.00, a rise of 20% since listing in November 2018.

News this month was dominated by the attack on the Saudi oil processing facilities, which caused an immediate 20% spike in oil prices, and another 25bps rate cut in the US, which sees the benchmark rate now yield just 1.75-2%.

One of our offshore stocks, DocuSign Inc, which offers an e-signature solution enabling businesses to digitally prepare, execute, and act on agreements had a great month, after reporting very impressive results early in September. It finished the month with a rally of 32.6%. This has been a big contributor to the overall success of the portfolio, having now logged AUD gains of 65% since it was recommended at the Conference last November. Bandai Namco and JB Hi-Fi continued to rally, while Airbus and PagSeguro gave back some of their gains. Reece Limited made an acquisition in the US (Todd Pipe and Supply, LLC) which the market liked, marking the stock up almost 9% over the month.

The domestic and offshore technology stocks in our portfolio came back to earth, giving back some of their recent gains, and this was the biggest detractor to September's performance.

The next Sohn Hearts & Minds Investment Leaders Conference is almost upon us, which means that the remaining Conference stocks will be replaced by the new recommendations we receive on November 22. We are working closely with our Managers about the exits of the remaining positions. Some will no doubt be held for as long as possible, while others have catalysts or events that may lead to earlier exits.

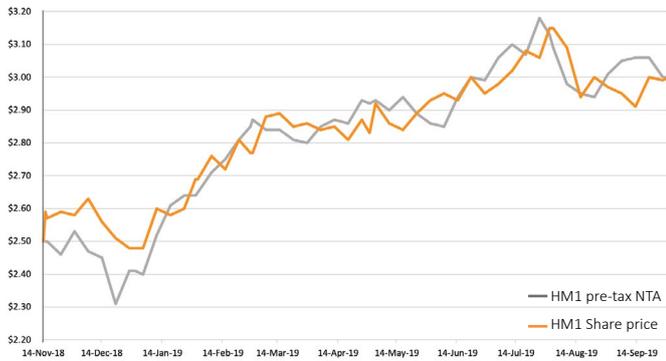
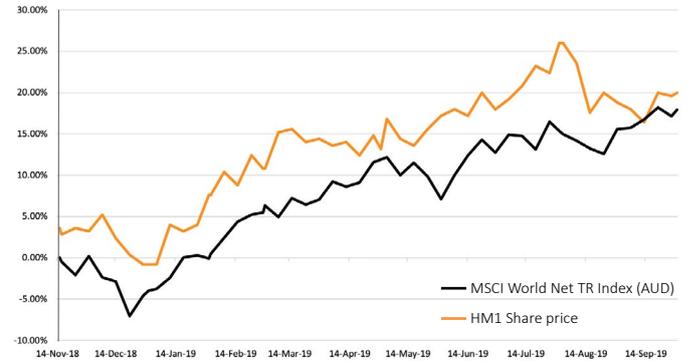
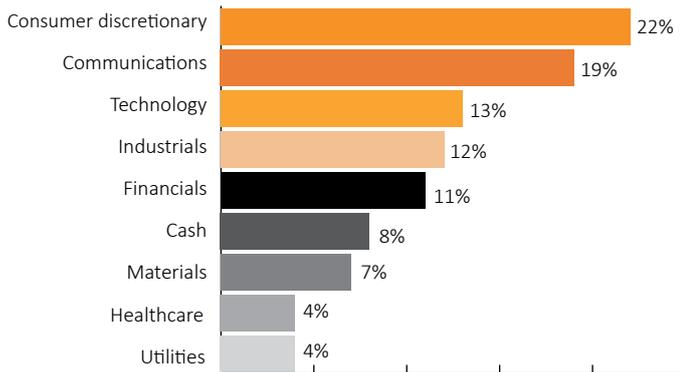
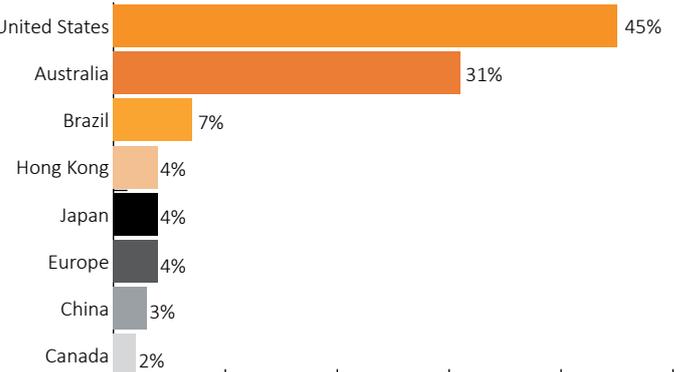
We have an amazing suite of presenters lined up to speak at the Sydney Opera House, and in next month's report we look forward to sharing with you who will be making the investment recommendations for inclusion in the portfolio.

## Performance

	1 month	3 months	6 months	Since Fund inception
Investment Performance	-0.3%	0.5%	7.5%	21.2%
MSCI World Net TR Index (AUD)	2.0%	4.6%	10.1%	17.9%

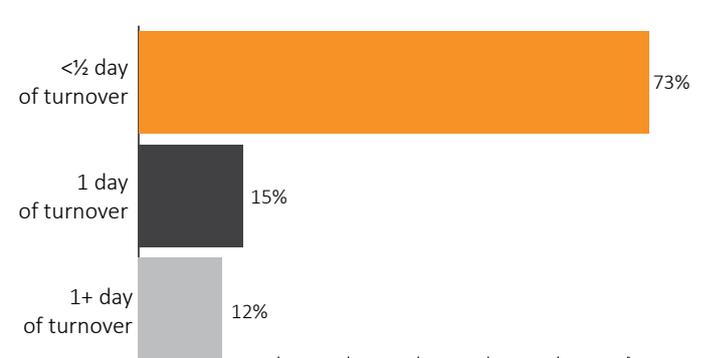
Investment performance and index returns are before expenses and taxes. Source: Citco Fund Services and www.msci.com. Fund inception 14 Nov 2018.

To receive these monthly investment updates via email please [click here](#).

**HM1 share price vs pre-tax NTA backing**

**HM1 share price vs MSCI World Net TR Index (AUD)**

**Sector allocation**

**Business domicile<sup>4</sup>**

**Key details**

Pre-tax NTA <sup>1</sup>	\$3.00
Post-tax NTA <sup>2</sup>	\$2.86
ASX code	HM1
Share price	\$3.00
Percent invested	95%
Listing date	14 Nov 2018

All numbers as at 30 September 2019 unless otherwise stated.

**Portfolio liquidity<sup>5</sup>**


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<sup>1</sup>Pre-tax NTA is calculated after the provision for tax on realised gains and losses on the investment portfolio. <sup>2</sup>Post-tax NTA is calculated after the provision for tax on realised and unrealised gains and losses on the investment portfolio. **\*\* All NTA figures are unaudited and prepared by Citco Fund Services.** <sup>4</sup>Determined by location where primary business takes place. <sup>5</sup>Based on 20 day average daily turnover. <sup>†</sup>The performance figures quoted are historical, calculated using end of month prices. Performance can be volatile and future returns can vary from past returns. All numbers as at 30 September 2019 unless otherwise stated.

Core fund managers



Conference fund managers



Designated charities



Pro-bono service providers

