

Investment Objective

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

Portfolio Commentary

Markets continued their rally into March as the Federal Reserve decided to keep interest rates unchanged despite persistent inflation. The rally continued to broaden with all S&P 500 sectors, except real estate, recording gains in the quarter to March. For the month of March, the S&P 500 increased 3.1%, the Nasdaq increased 1.8%, the ASX 200 was up 2.6%, and the MSCI World Index was up 2.6% in March. The HM1 portfolio continued to perform in March up 1.2% and is up 18% over the past 6 months. The recently announced fully franked dividend of 7 cents per share is payable on 18 April 2024. Since inception in November 2018, the HM1 portfolio has delivered an annualised pre-tax investment return of 10.1% pa and has paid fully franked dividends totalling 53 cents per share.

During March we took the opportunity to speak with Dan Loeb of Third Point about his 2023 Sohn Hearts & Minds Conference stock pick, Bath and Bodyworks (BBWI). The stock has performed very well (+57% since our purchase) and after the discussion, we decided to lock in this outperformance and sell out of the position. Given that it is still early in the Conference Portfolio's 1 year holding period, we have reallocated the funds to Dan's new idea, International Flavours and Fragrances (IFF). This business is a supplier of flavour and fragrance ingredients for the food, beverage, health, household goods, personal care, and pharmaceutical industries. Since our purchase, the company has announced the sale of its Pharma solutions business for close to \$3bn which will reduce its debt by a third. Dan is impressed by the new management team and expects further catalysts to play out this year.

In this month's update, we spoke to TDM Growth Partners for an update on one of their stock picks, Block, Inc. (SQ). Block's recently announced quarterly results outperformed expectations with a 22% year-over-year growth in gross profit. The company also provided FY24 guidance with growth expectations of over 15%. Significant corporate actions, including a 1,000-person reduction in headcount and a corporate reorganisation, underscored a shift towards efficiency and a more focused growth strategy, especially around transforming Cash App into a "social bank." Their results and actions reflect a significant change in management's strategy, with the share price responding positively, up 18% since the announcement. Despite challenges, the company's commitment to margin improvement and operational excellence suggests a positive outlook, with the potential for re-rating in line with other tech companies that have undergone similar efficiency drives. [Read further insights from TDM Growth Partners here.](#)

Pre-Tax NTA	\$3.15
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Post-Tax NTA	\$3.09
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Share Price <small>(ASX: HM1)</small>	\$2.63
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Investment Performance p.a. <small>(Since inception 14 Nov 2018)</small>	10.1%
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Latest Dividend <small>(Interim dividend payable 18 April 2024)</small>	7cps
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Fully Franked Dividend Yield¹	5.3%
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Cash Weighting	8%
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Profits Reserve <small>(At 31 December 2023)</small>	49cps
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Available Franking Credits² <small>(At 31 December 2023)</small>	56cps
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Cumulative Medical Research Funding	\$48.9m
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¹Fully franked dividend of 14.0cps divided by share price on 31 March 2024. ²Represents the level of future dividends (expressed as cents per share) that can be fully franked. All figures as at 31 March 2024 unless otherwise stated. Fund inception 14 Nov 2018. This communication has been prepared by Hearts and Minds Investments Limited (ABN 61 628 753 220). In preparing this document the investment objectives, financial situation or particular needs of an individual have not been considered. You should not rely on the opinions, advice, recommendations and other information contained in this publication alone. This publication has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Past performance is not a reliable indicator of future performance.

HM1 Investment Performance

Investment Performance	1 month	6 months	1 year	3 years per annum	Since Inception per annum
HM1 Investment Performance	1.2%	18.3%	14.2%	-1.5%	10.1%
MSCI World Index (AUD)	2.6%	19.0%	26.5%	12.6%	12.5%

HM1 Investment Performance is calculated after expenses and before taxes. The comparator is the MSCI World price index in AUD. Source: Citco Fund Services and www.msci.com. Inception 14 Nov 2018.

Dividend History

Dividend History	FY21	FY22	FY23	FY24
Dividends – fully franked	12cps	13.5cps	13.5cps	14.0cps

Top 10 Core Portfolio Holdings

Represents 45% of total portfolio holdings (in alphabetical order)



BHP
BHP.ASX



Block Inc
SQ.NYSE



Brookfield Corp
BN.NYSE



Formula One Group
FWONK.NAS



Guzman Y Gomez



Intercontinental Exchange Ltd
ICE.NYSE



Mastercard Inc
MA.NYSE



Microsoft Corporation
MSFT.NAS



Rokt



Zillow Group Inc
Z.NAS

Conference Portfolio Holdings

Represents 28% of total portfolio holdings (in alphabetical order)



AIA Insurance
1299.HKG



Ashland
ASH.NYSE



Games Workshop
GAW.LON



International Flavours & Fragrances Inc.
IFF.NYSE



Lamb Weston
LW.NYSE



Miniso Group
9896.HKG



NexGen Energy
NXG.ASX



ResMed
RMD.ASX



Swire Pacific
0019.HKG



Telix Pharmaceuticals
TLX.ASX



UniCredit
UCG.BIT

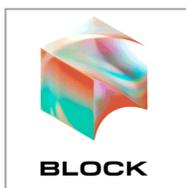


Webster Bank
WBS.NYSE



Wise
WISE.LON

News from the **HM1 Network**



Block, Inc. (NYSE: SQ) recently announced quarterly results outperformed expectations with a 22% year-over-year growth in gross profit. The company also provided FY24 guidance with growth expectations of over 15%. Significant corporate actions, including a 1,000-person reduction in headcount and a corporate reorganisation, underscored a shift towards efficiency and a more focused growth strategy, especially around transforming Cash App into a "social bank." Their results and actions reflect a significant change in management's strategy, with the share price responding positively, up 18% since the announcement.



Core Fund Manager, Regal Partners hosted a webinar with **Co-Founder & Chief Investment Officer Phil King** alongside senior members of Regal's investment team, **Jessica Farr-Jones and Gavin George** to present their insights on the current investing environment and where Regal Partners is finding opportunities across its diverse range of Australian-focused alternative investment strategies. [You can watch the recording here.](#) (Please note, you will need to register to access).



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Professor Dan Lubman, Clinical Director of Turning Point, Australia's leading national addiction treatment, training and research centre. Prof Dan Lubman explains some of the realities of addiction and how change is possible. The video also includes real stories from Craig and Carolyn, two incredible individuals who have lived experiences of addiction and are now making a change and helping other people rethink addiction. [You can watch the video here.](#) We're proud to support Turning Point on their research, in partnership with Core Fund Manager Cooper Investors. Their work has helped to transform lives, with more than 100,000 Australians seeking support from clinicians every year.



Discover **Nick Griffin's** formula for double-digit returns, plus 13 stocks Munro Partners (Core & Conference Fund Manager) is backing for the long-term including Kieran Moore's stock pick Wise which Munro Partners [pitched at the 2023 Sohn Hearts & Minds Conference.](#) Nick highlights that with interest rates set to come down and AI shaping the future of everything, growth stocks are sure to rally. While growth might be back, sorting the winners from the losers will be the key to driving returns. [You can watch Nick's full interview with Livewire here.](#)



Chronic pain is a major and increasing public health issue and affects one in five people in Australia with more than 68% of people of working age living with chronic pain. Chronic pain reduces the quality of life and can cause disability and mental health problems. **The Pain Management Research Institute** has been leading the way in the science and treatment of pain since 1990, and with vital funding, created the patient care priorities framework (Listen to me, Learn from me) to help shape interdisciplinary digital pain education. [Read more about the project we are excited to support, in partnership with TDM Growth Partners, here.](#)

Core Fund Managers



Conference Fund Managers



Designated Beneficiaries



Pro-Bono Service Providers

