

6 December 2023

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

Dear Shareholders,

Please find attached Hearts and Minds Investments Limited's November Investment Update.

If you would like to receive these monthly investment updates via email please [subscribe here](#).

For and on behalf of the board,



Tom Bloomfield
Company Secretary

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 were up strongly in November following three consecutive down months. Slowing inflation rates and expectations that the interest rate cycle has peaked supported the rebound in equities. The S&P 500 rose 8.9% and the Nasdaq was up 10.7%. The Australian dollar rose 3% to US\$0.661 cents which subdued the increase in the MSCI World Index in AUD which was up 4.8% and the ASX 200 rose 4.5%. Since inception in November 2018, the HM1 portfolio has delivered an annualised pre-tax investment return of 7.6% pa and has paid dividends totalling 46 cents per share.

Our Core Portfolio performed strongly during November up 7%, including good rebounds in our previously poorer performing stocks. Opthea recovered some ground from recent lows as the new highly credentialled management team met with investors to outline the prospects for the company. Block was also up strongly on better-than-expected results and the announcement of a buyback which was well received by the market. Just Eat TakeAway also clawed back last quarters losses after also announcing a buyback at the end of October. Finally, Zillow recovered 13% as the market started to contemplate peak interest rates in the US. The one material fall in the portfolio was China Tourism Group Duty Free down 4% in November as the Chinese economy remained sluggish and news of a mystery respiratory disease emerged.

We have now sold last year's Conference Portfolio and have invested in the stocks that were presented this year at the Sohn Hearts and Minds Investment Leaders Conference. This year's stocks provide a diverse and compelling part of our investment portfolio.

In this month's update, we are delighted to provide a summary of the stocks that were pitched at the Sohn Hearts & Minds Investment Leaders Conference and that now comprise our refreshed Conference Portfolio. We also provide a trading update for one of our Core Portfolio holdings Guzman Y Gomez.

[You can view the update here.](#)

Pre-Tax NTA	\$2.77
Post-Tax NTA	\$2.84
Share Price (ASX: HM1)	\$2.30
Investment Performance p.a. (Since inception 14 Nov 2018)	7.6%
Latest Dividend (Interim paid 19 October 2023)	7cps
Fully Franked Dividend Yield¹	5.9%
Cash Weighting	3%
Profits Reserve (At 30 June 2023)	67cps
Available Franking Credits² (At 30 June 2023)	56cps
Cumulative Medical Research Funding	\$43.9m

¹Fully franked dividend of 13.5cps divided by share price at 30 November 2023. ²Represents the level of future dividends (expressed as cents per share) that can be fully franked. All figures as at 30 November 2023 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	4.5%	-0.7%	1.8%	-6.1%	7.6%
MSCI World Index (AUD)	4.8%	5.7%	12.9%	9.2%	10.2%

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	2021	2022	2023	2024 (Interim)
Dividends – fully franked	12cps	13.5cps	13.5cps	7.0cps

Top 10 Portfolio Holdings

Represents 39% 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 31% of total portfolio holdings (in alphabetical order)



AIA Insurance
1299.HKG



Ashland
ASH.NYSE



Bath & Body Works
BBWI.NYSE



Games Workshop
GAW.LON



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

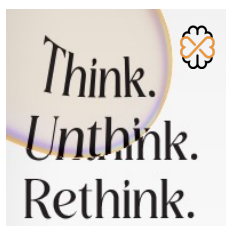


Webster Bank
WBS.NYSE

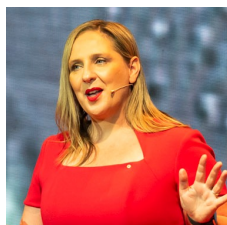


Wise
WISE.LON

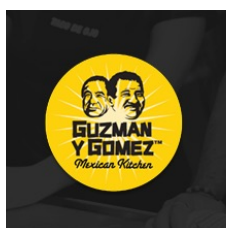
News from the **HM1 Network**



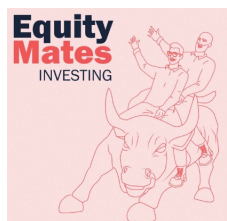
On **Friday 17 November at the Sydney Opera House** we held our eighth Sohn Hearts & Minds Conference. The diversity of stock picks at this year's conference made it clear there are no easy wins in this market. [You can read a recap of the day and all the stock picks here.](#)



At this year's Sohn Hearts & Minds Conference, we heard from **Prof Misty Jenkins AO**. Misty is a NHMRC fellow and laboratory head of the Immunology Division at the **Walter and Eliza Hall Institute** and leads the immunotherapy program within the Brain Cancer Centre. [You can watch her presentation here.](#)



Guzman y Gomez (GYG) held its Annual General Meeting on 30 November and provided an update on its FY24 year-to-date results. We are pleased to report that the business delivered a strong start to FY24. [You can read their AGM presentation here.](#)



Bryce and Ren from **Equity Mates** attended the Sohn Hearts & Minds Conference and reviewed the stocks pitched by our new 2023 Conference Fund Managers. Find out what they thought of the event, and the range of stocks selected. [You can listen to the full podcast here.](#)



Catch up on the latest media coverage from the **2023 Sohn Hearts & Minds Conference**. This features content from our Conference Fund Managers, headliners, special guests, medical research speakers and more. [You can read all the media coverage here.](#)



At this year's Sohn Hearts & Minds Conference, we heard from **Prof Daniel MacArthur**, Director of the **Centre for Population Genomics**, a joint initiative of the Garvan Institute of Medical Research in Sydney and the Murdoch Children's Research Institute in Melbourne. [You can watch his presentation here.](#)



Hearts & Minds Podcast: Conversations on Impact and Investing

Gain a deeper understanding of the impact you're directly helping to create. Catch up on the latest episodes below:

- **Kids Critical Care:** explore the expertise of Dr. Marino Festa as he delves into the world of critical care and trauma research. [Listen here.](#)
- **Magellan:** Learn how Magellan managers pick a high conviction stock and avoid short term noise. [Listen here.](#)
- **Harry Perkins Institute:** Discover the world of rare genetic disease research with Associate Professor Gina Ravenscroft. [Listen here.](#)
- **Tribeca Investment Partners:** Dig into Jun Bei Liu's high conviction investment strategy. [Listen here.](#)

Core Fund Managers

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INVESTORS

 MAGELLAN
EXPERTS IN GLOBAL INVESTING

MUNRO

REGAL
FUNDS

tdm.
GROWTH PARTNERS

Tribeca
Investment Partners

Conference Fund Managers

AIKYA

AZORA
CAPITAL

BCP | BAYBERRY
CAPITAL PARTNERS

Z Ellerston Capital

 EMINENCE
CAPITAL

IFM Investors 

METRONOME CAPITAL LLP

MUNRO

 PRUSIK

TERRACAPITAL

TOSCAFUND

Tribeca
Investment Partners

Designated Beneficiaries

 Baker
HEART & DIABETES INSTITUTE

 Cerebral Palsy
ALLIANCE
RESEARCH FOUNDATION

 The Florey
Advancing Brain Research

 kr
kids
research

 kids
critical care
research

 NeuRA
Discover — Conquer — Cure

 PAiN
Foundation

 Parkinson
HARRY PERKINS INSTITUTE
OF MEDICAL RESEARCH

 rpa Green Light
Institute
FOR EMERGENCY CARE

 St Vincent's Clinic
Research Foundation

 Victor Chang
Cardiac Research Institute

 WEHI
brighter together

Pro-Bono Service Providers

BoardRoom

Charter
Hall 

CITCO

domestique

KING & WOOD
MALLESONS
金杜律师事务所

MONT
LAWYERS

 PITCHER
PARTNERS