

7 March 2024

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 February Investment Update.

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

For and on behalf of the board,



Eryl Baron  
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 continued to rally in February registering four consecutive positive months across most markets with the Nasdaq reaching a new record high. Solid fourth quarter earnings reports in the US saw a broadening of the market rally to include the Industrial, Materials, Consumer Discretionary and Financials sectors.

For February, the S&P 500 increased 5.2%, the Nasdaq increased 6.1% and the ASX 200 was up 1.3%. The Australian dollar weakened further over the month to finish at US\$0.65 which boosted the increase in the MSCI World Index in AUD which was up 5.7% in February. The HM1 portfolio continued to perform well in February up 6.0% and is up 18% over the past 4 months. 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.

We have just come to the end of reporting season across the portfolio and as we did in the August monthly report, we have asked our fund managers for an update on how some of our key positions are performing. [You can read their initial insights here.](#) Overall, it was a good reporting period for the portfolio with some good moves to the upside. We will be following up further in the coming weeks.

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**Pre-Tax NTA** **\$3.18**

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**Post-Tax NTA** **\$3.13**

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**Share Price** **\$2.63**  
(ASX: HM1)

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**Investment Performance p.a.** **10.1%**  
(Since inception 14 Nov 2018)

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**Latest Dividend** **7cps**  
(payable 18 April 2024)

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**Fully Franked Dividend Yield<sup>1</sup>** **5.3%**

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**Cash Weighting** **6%**

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**Profits Reserve** **49cps**  
(At 31 December 2023)

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**Available Franking Credits<sup>2</sup>** **56cps**  
(At 31 December 2023)

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**Cumulative Medical Research Funding** **\$48.9m**

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### HM1 Investment Performance

Investment Performance	1 month	6 months	1 year	3 years per annum	Since Inception per annum
HM1 Investment Performance	6.0%	10.5%	14.5%	-3.1%	10.1%
MSCI World Index (AUD)	5.7%	11.4%	27.8%	13.3%	12.1%

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](http://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

<sup>1</sup>Fully franked dividend of 14.0cps divided by share price on 29 February 2024. <sup>2</sup>Represents the level of future dividends (expressed as cents per share) that can be fully franked. All figures as at 29 February 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.

### Top 10 Portfolio Holdings

Represents 47% of total portfolio holdings (in alphabetical order)



**BHP**  
BHP.ASX



**Intercontinental Exchange Ltd**  
ICE.NYSE



**Block Inc**  
SQ.NYSE



**Mastercard Inc**  
MA.NYSE



**Brookfield Corp**  
BN.NYSE



**Microsoft Corporation**  
MSFT.NAS



**Formula One Group**  
FWONK.NAS



**Rokt**



**Guzman Y Gomez**



**Zillow Group Inc**  
Z.NAS

### Conference Portfolio Holdings

Represents 30% of total portfolio holdings (in alphabetical order)



**AIA Insurance**  
1299.HKG



**Miniso Group**  
9896.HKG



**UniCredit**  
UCG.BIT



**Ashland**  
ASH.NYSE



**NexGen Energy**  
NXG.ASX



**Webster Bank**  
WBS.NYSE



**Bath & Body Works**  
BBWI.NYSE



**ResMed**  
RMD.ASX



**Wise**  
WISE.LON



**Games Workshop**  
GAW.LON



**Swire Pacific**  
0019.HKG

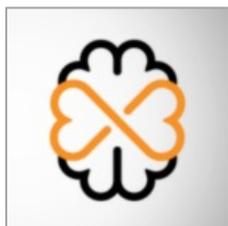


**Lamb Weston**  
LW.NYSE



**Telix Pharmaceuticals**  
TLX.ASX

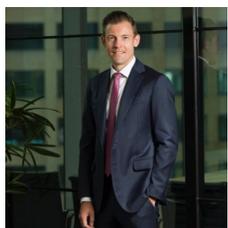
## News from the **HM1 Network**



For this month's update, we asked our fund managers for an update on how some of our key positions are performing off the back of reporting season. Overall, it was a good period for the portfolio with some good moves to the upside. [You can read their initial insights here.](#)



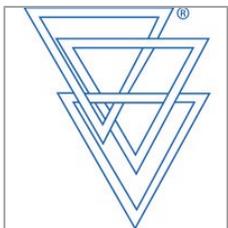
**Phil King, Chief Investment Officer of Regal Funds** (Core Fund Manager) joined Koda Capital's *Inside the Rope* podcast. Phil shared insights into his approach to investing and his ability to remain unaffected by market fluctuations. [You can listen to the podcast episode here.](#)



**Portfolio Manager, Kieran Moore of Munro Partners** (Core & Conference Fund Manager), shared in a recent interview with the *Australian Financial Review* that, backed by artificial intelligence, both Nvidia and Microsoft have still got more to run. [Read the interview here.](#)



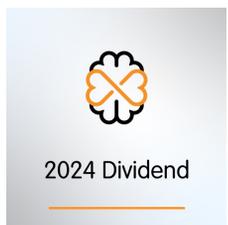
**Cerebral Palsy Alliance** is very optimistic about the future of technology in preventing and improving quality of life for people living with cerebral palsy. HM1 continue to partner with them on this important area of research. [You can read more about the project we support here.](#)



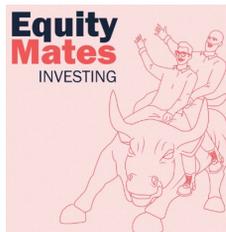
**St Vincent's Clinic Research Foundation** hosted a panel featuring Dr Craig Haifer and A/Prof Susan Tomlinson where they shared their unique perspectives on the incredible journey from laboratory research to real-world healthcare solutions. [You can watch the video here.](#)



In a recent episode of *In The Know*, **Arvid Streimann, Adrian Lu and Dom Facchi from Magellan** (Core Fund Manager) discuss the Semiconductor chip industry. They cover many stocks in HM1's portfolio, including Magellan's recommended core holding for HM1, Microsoft. [You can listen to the episode here.](#)



Reminder that Hearts & Minds declared a **fully franked interim dividend of 7 cents per share** which is payable on 18 April 2024. The Dividend Reinvestment Plan will be in operation and participating shareholders can reinvest their cash dividend in new HM1 shares at the DRP issue price. [Find out how to participate here.](#)



**Fraser Christie from TDM Growth Partners** (Core Fund Managers) joined the *Equity Mates* podcast to discuss Mineral Resources Limited, an Australian company that specialises in diversified mining services and resources, focusing on iron ore, lithium, and energy. [You can watch the episode here.](#)

**Core Fund Managers**

CALEDONIA

 COOPER  
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

centre for population genomics  
 murdoch  
children's  
research  
institute |  Garvan Institute  
of Medical Research

 kr  
kids  
research | kids  
critical care  
research

 NeuRA  
Discover — Conquer — Cure

 PAIN  
Foundation

 Parkins  
HARRY PERKINS INSTITUTE  
OF MEDICAL RESEARCH

 rpa Green Light  
Institute  
FOR EMERGENCY CARE

 SpinalCure  
AUSTRALIA

 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