

9 Sep 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 August 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 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

Global stock markets were relatively unchanged in August despite a bout of volatility in the first week of the month caused by a weak employment report in the US and a sharp selloff in Japan as investors feared the effect of modest rate rises. The weakening global economic backdrop suggests that rates have peaked in most developed markets and that we will start to see rate cuts soon. Despite this, it was a reasonably robust reporting season both in the US and here in Australia with more upgrades than downgrades across the market as a whole.

The HM1 portfolio was up 0.4% for the month ahead of the MSCI World Index, helped by some good individual stock moves through the reporting season. In this month's update, the fund managers of our major portfolio holdings gave us their insights into the latest results of our key holdings following the reporting season. [You can read the results summaries here.](#)

The HM1 portfolio is up 15.1% over the past year, and since inception in November 2018 has delivered an annualised pre-tax investment return of 9.9% p.a. and has paid fully franked dividends totalling 53 cents per share.

HM1 recently released its Annual Report setting out its financial results, analysis of the investment portfolio and funding provided to medical research. [View further details and the full FY24 Annual Report here.](#) Additionally, the Board of Directors declared an increased fully franked half-year dividend of 7.5 cents per share, payable in October 2024. The Dividend Reinvestment Plan will be in operation and participating shareholders can reinvest their dividend in new HM1 shares at the DRP issue price. [Find out how to participate here.](#)

We're also pleased to share our latest podcast episode, featuring Hearts & Minds co-founders Matthew Grounds AM and Guy Fowler OAM, as they share candid stories and reflections on building Hearts & Minds and creating the unique philanthropic model that has donated nearly \$70 million to advance medical research. [You can listen here.](#)

Pre-Tax NTA	\$3.24
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Post-Tax NTA	\$3.15
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Share Price <small>(ASX: HM1)</small>	\$2.77
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Investment Performance p.a. <small>(Since inception 14 Nov 2018)</small>	9.9%
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Latest Dividend <small>(Half-yearly dividend payable 17 October 2024)</small>	7.5cps
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Fully Franked Dividend Yield¹	5.4%
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Cash Weighting	3%
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Profits Reserve <small>(At 30 June 2024)</small>	58cps
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Available Franking Credits² <small>(At 30 June 2024)</small>	42cps
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Cumulative Medical Research Funding	\$54m
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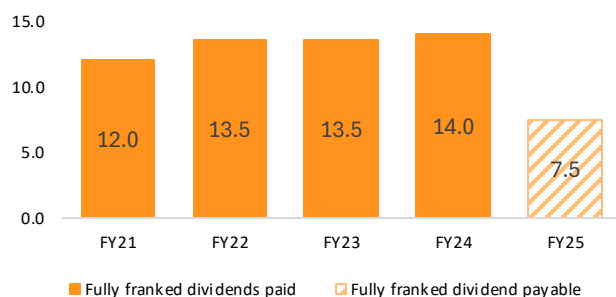
¹Fully franked dividend of 14.0cps divided by share price on 31 August 2024. ²Represents the level of future dividends (expressed as cents per share) that can be fully franked. All figures as at 31 July 2024 unless otherwise stated. Fund inception 14 Nov 2018. This communication has been prepared by 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	0.4%	4.2%	15.1%	-4.4%	9.9%
MSCI World Index (AUD)	-0.9%	5.4%	17.4%	8.0%	12.0%

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.

Fully franked dividends (cents per share)



Key Dividend Dates

Ex-dividend date:	11 September 2024
Record date:	12 September 2024
DRP election date:	16 September 2024
Payment date:	17 October 2024

Top 10 Core Portfolio Holdings

Represents 50% of total portfolio holdings (in alphabetical order)



Conference Portfolio Holdings

Represents 26% of total portfolio holdings (in alphabetical order)



News from the **HM1 Network**



We have just come to the end of reporting season and the fund managers of our major portfolio holdings gave us their insights into the latest results of our key holdings. Their analysis of **Amazon, Block, Brookfield, Formula One, Guzman y Gomez, ICE, Mastercard, Microsoft, TSMC and Zillow** [is summarised here.](#)



In the latest episode of the Hearts & Minds podcast, our co-founders **Matthew Grounds AM** and **Guy Fowler OAM** sit down with **Maggie O'Neill** to reminisce about the incredible journey so far - from a blank sheet of paper to **nearly \$70 million donated to medical research.** [You can listen to the episode here.](#)



HM1 Conference Fund Manager, **Ricky Sandler is the Chief Investment Officer and Founder** of the \$7B **Eminence Capital**. He recently joined Bloomberg's podcast *Masters in Business* to share his latest thoughts and strategies. Ricky has been a big supporter of Hearts & Minds having pitched at the last two Sohn Hearts & Minds Investment Leaders Conferences. [You can tune in for his latest thoughts and insights here.](#)



The Chief Investment Officer of the London-based \$71bn **Wellcome Trust**, **Nick Moakes**, has a simple rule for the Trust's investment team: "Never invest with anyone who is or has been or should have been in prison." When assessing potential investment opportunities, Moakes highlights that the company's culture is key. [You can read the full article here.](#) Nick Moakes will be a keynote speaker at this year's **Sohn Hearts & Minds in Adelaide on 15 November 2024.** [You can secure your ticket here.](#)



Howard Marks of Oaktree Capital Management says investors must ignore manic depressive markets and focus on the bigger picture. Rates will be higher for longer and that will bring pain – and opportunity. Howard is famous in global markets for his public memos to Oaktree clients, which are a unique mix of insight, history and commonsense. Howard Marks has previously spoken at Sohn Hearts & Minds, and we are looking forward to his return appearance, speaking at this year's conference. [You can read the full article here.](#)

Core Fund Managers









Conference Fund Managers














Designated Beneficiaries





















Pro-Bono Service Providers



