

6 November 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 October 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

Most markets were down for the third consecutive month in October with the Nasdaq and S&P 500 dropping more than 10% from their July highs and entering correction territory. The HM1 portfolio decreased 2.5% for the month of October, the Nasdaq was down 2.8%, the S&P 500 down 2.2% and the MSCI World Index in AUD was down 1.4%. In this month's update, we provide a brief update on the monthly portfolio movements and highlight the fund managers presenting at the Hearts and Minds Investment Leaders Conference on 17 November 2023 at the Sydney Opera House. Since inception in November 2018, the HM1 portfolio has delivered an annualised pre-tax investment return of 6.8% pa and has paid dividends totalling 46 cents per share.

The fund suffered from a number of stock specific moves during October. Darling Ingredients, China Tourism Group Duty Free, Zillow, Keywords Studios and AMP were all down more than 10% for the month. Microsoft, Amazon and Nike all outperformed and offset some of these losses.

On a brighter note, in the lead up to this year's [Sohn Hearts & Minds Conference](#) on Friday 17 November we took the opportunity to complete our selling of Carsales for a 31% gain and Champion Iron for a 21% gain. Thanks go to Tim Carleton of Auscap Asset Management for picking Carsales and Tim Elliott of Regal Funds for Champion Iron.

We recently shared our 2023 conference fund managers, an exciting line up of mostly international fundies. [Meet the managers here.](#)

Pre-Tax NTA	\$2.65
Post-Tax NTA	\$2.76
Share Price (ASX: HM1)	\$2.14
Investment Performance p.a. (Since inception 14 Nov 2018)	6.8%
Latest Dividend (Interim paid 19 October 2023)	7cps
Fully Franked Dividend Yield¹	6.3%
Cash Weighting	22%
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 31 October 2023. ²Represents the level of future dividends (expressed as cents per share) that can be fully franked. All figures as at 31 October 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	-2.5%	-6.2%	1.2%	-6.7%	6.8%
MSCI World Index (AUD)	-1.4%	1.9%	9.7%	10.2%	9.4%

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 48% of total portfolio holdings (in alphabetical order)



BHP
BHP.AX



Block Inc
SQ.NYSE



Formula One Group
FWONK.NAS



Guzman Y Gomez



Intercontinental Exchange Ltd
ICE.NYSE



Mastercard Inc
MA.NYSE



Microsoft Corporation
MSFT.NAS



Nike, Inc.
NKE.NYSE

ROKT

Rokt



Zillow Group Inc
Z.NAS

Conference Portfolio Holdings

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



AMP Limited
AMP.AX

ASML

ASML Holding N.V. (Sold)
ASML.AS



Carsales.com (Sold)
CAR.AX

CHAMPION IRON 

Champion Iron (Sold)
CIA.AX



China Duty Free
1880 HK



Darling Ingredients Inc.
DAR.NYSE



La Francaise des Jeux
FDJ.PA



Keywords Studios
KWS.L



New Relic, Inc. (Sold)
NEWR.NYSE



Nike, Inc.
NKE.NYSE



Transurban Group
TCL.AX

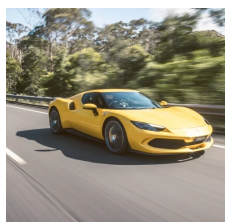
News from the **HM1 Network**



In this month's update, we meet our **2023 Conference Fund Managers**. This year's managers feature a wide range of investment specialists including experts in Asian equities, emerging markets, UK financials and Australian commodities. [You can learn more here.](#)



2022 Conference Fund Managers - **Catherine Allfrey of Wavestone and Anthony Aboud of Perpetual** join *Livewire's* Buy Hold Sell series. Together, they analyse three stalwart ASX stocks, sharing invaluable insights on whether they are worth investing in right now. [You can watch the episode here here.](#)



HM1 Board Member, Geoff Wilson, who is Chief Investment Officer and Chairman of Wilson Asset Management, along with Portfolio Managers **Jun Bei Liu of Tribeca** and **Nikki Thomas of Magellan** (both HM1 Fund Managers) have joined other top fund managers to share their stock picks. [Read their insights here.](#)




Dan Loeb has been named as one of the headline acts for the **Sohn Hearts & Minds Investment Leaders Conference**. Dan's built a reputation as a fierce shareholder activist and oversees \$US11.7 billion (\$18.5 billion) at New York-based hedge fund Third Point. [Read the full article here.](#)



Philip King of Regal Funds Management (Core Fund Manager) believes corporate activity in the Australian market is expected to remain relatively muted for the foreseeable future. However, he highlights one remarkable exception - the resources space. [You can read the full article on Livewire here.](#)



Looking for insights that truly matter? Join us on **Friday 17 November at the Sydney Opera House** for thought leadership with a fresh perspective. Don't miss this year's **Sohn Hearts & Minds Conference**, Australia's premier investment leaders event. [Limited tickets are available 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:

- **WEHI:** Learn how A/Prof Matt Call is teaching our body to kill cancer. [Listen here.](#)
- **Munro Partners:** Nick Griffin on how he finds global winners. [Listen here.](#)
- **Victor Chang Cardiac Research Institute:** Preventing recurrent miscarriages and birth defects. [Listen here.](#)
- **Regal Funds:** Where Phil King is searching for opportunities. [Listen here.](#)

Core Fund Managers

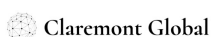








Conference Fund Managers











Designated Beneficiaries












Pro-Bono Service Providers







