



Welcome to Hearts and Minds Investments

Dear Fellow Shareholder,

I would like to welcome you as a new shareholder of Hearts and Minds Investments Limited (ASX: HM1). Thank you for supporting our recent Initial Public Offering.

The Company provides a unique opportunity to invest in a concentrated portfolio of shares selected by some of the best fund managers both in Australia and internationally.

Conference recommendations update

As you are aware, 40% of the portfolio will consist of companies recommended at the annual Sohn Hearts & Minds Investment Leaders Conference and we look forward to this year's event in Melbourne on this Friday, 16 November 2018.

Commencing in 2019, we hope to be able to offer our loyal shareholders discounted tickets to the Conference. Further details will be provided closer to next year's event.

Core portfolio update

Since the allotment of shares last week, we have been steadily investing in a number of the companies recommended by the Core Fund Managers.

The recent turbulence in global equity markets has been kind to us in this regard. To date, we have deployed just over half of the funds allocated to the Core Fund Managers Portfolio and we have been buying at prices that are on average 25% below the most recent six-month highs.

It may well be that this volatility continues, and we should be prepared for that. There is no doubt however, that we are better off deploying our capital in the current environment than had we been buying at much higher prices only a few months ago.



What's next?

Moving forward, you can expect the following reporting from the company:

- A weekly NTA update;
- A monthly portfolio summary and;
- Six monthly results announcements

These will all be released to the ASX and made available on our website.

Welcome once again,

A handwritten signature in black ink, appearing to read "Chris Cuffe", is displayed on a light grey background.

Chris Cuffe

Chairman

Hearts and Minds Investments Limited