

7 February 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 January 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 continued to rally in January 2024 spurred mostly by US tech stocks resulting in double digit gains over the past 3 months across most market indices. For January 2024, the S&P 500 increased 3.0%, and the Nasdaq increased 2.7% and the ASX 200 up 1.2%. The Australian dollar weakened 3% to US\$0.657 which boosted the increase in the MSCI World Index in AUD which was up 4.8% in January. The HM1 portfolio continued to perform well in January up 3.0% and up 13.2% over the past 3 months. Since inception in November 2018, the HM1 portfolio has delivered an annualised pre-tax investment return of 9.0% pa and has paid dividends totalling 46 cents per share.

The portfolio generally performed well in January. Nvidia was the standout rising 24% alongside our other chip manufacturer TSMC which was up 9%. In the case of Nvidia, earnings have been rising even faster than the share price as the company has seen exponential demand for its AI enabling semiconductors. Also performing well for the month were ResMed (+11%), Telix (+14%) and NexGen (+11%). On the downside, Miniso Group fell 19% as the whole China listed equity market continued to underperform.

This month we take a deep dive into one of our conference stocks within the portfolio that was astutely picked by Chris Kourtis of Ellerston Capital. ResMed was up 11% in January and is up 26% since our purchase in November. [You can read more here.](#)

---

<b>Pre-Tax NTA</b>	<b>\$3.00</b>
--------------------	---------------

---

<b>Post-Tax NTA</b>	<b>\$3.01</b>
---------------------	---------------

---

<b>Share Price</b> (ASX: HM1)	<b>\$2.63</b>
----------------------------------	---------------

---

<b>Investment Performance p.a.</b> (Since inception 14 Nov 2018)	<b>9.0%</b>
---	-------------

---

<b>Latest Dividend</b> (Interim paid 19 October 2023)	<b>7cps</b>
--	-------------

---

<b>Fully Franked Dividend Yield<sup>1</sup></b>	<b>5.1%</b>
---	-------------

---

<b>Cash Weighting</b>	<b>4%</b>
-----------------------	-----------

---

<b>Profits Reserve</b> (At 31 December 2023)	<b>49cps</b>
---	--------------

---

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

---

<b>Cumulative Medical Research Funding</b>	<b>\$43.9m</b>
--	----------------

---

<sup>1</sup>Fully franked dividend of 13.5cps divided by share price at 31 January 2024. <sup>2</sup>Represents the level of future dividends (expressed as cents per share) that can be fully franked. All figures as at 31 January 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	3.0%	3.4%	7.0%	-4.7%	9.0%
MSCI World Index (AUD)	4.8%	6.6%	23.0%	11.7%	11.1%

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. 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.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**

---



In this month's update, we spotlight one of our conference stocks **RedMed**. ResMed was one of our high conviction stocks pitched by **Chris Kourtis of Ellerston Capital** at the 2023 Sohn Hearts & Minds Conference. [You can learn more here.](#)



Discover the behind-the-scenes magic of putting together the Sohn Hearts & Minds Conference from **Jonathan Pease, our founding Creative Director**, and author of 'Winning the Room'. In conversation with Mark Bouris, Jonathan also shares actionable insights for mastering the perfect pitch or presentation. [You can listen to the podcast episode here.](#)



Although there may still be some volatility in the near term, our Core Fund Manager, **Munro Partners** sees many reasons to be optimistic in the medium term. Discover their outlook for the new year including their insights on emerging winners. [Read the article on Livewire here.](#)



**Prof Daniel MacArthur, Director of the Centre for Population Genomics** has big goals to bring equity and diversity into genomic medicine in Australia. Tune into this interesting *Medical Minds* episode to learn more about his work. [You can listen here.](#)



**Arvid Streimann and Nikki Thomas, of Magellan** (Core Fund Manager) share insights on the investment attributes that led the market in 2023 and the key thematics to watch out for in the year ahead. [You can watch the video here.](#)



Congratulations to our **Director, Lorraine Berends AM**, for being honoured with the Member of the Order of Australia (AM). Lorraine has been a champion for Women in Finance and a great mentor to many young professionals. [Read more about her journey here.](#)



Congratulations to **Co-Founder and Director, Guy Fowler OAM**, on being honoured with the Medal of the Order of Australia (OAM) for his service to business and the community. Guy recently shared insights with *The Australian* about the establishment of Hearts & Minds. [You can learn more here.](#)



Core Fund Manager, **Regal Funds Management** was crowned for their small-cap fund as the No.1 performing Australian equities fund in 2023. Todd Guyot, co-portfolio manager, Philip King and James Sioud, were interviewed by *The Australian Financial Review*. [You can read the full article here.](#)



Congratulations to **Prof Sally Dunwoodie AO** who has been honoured with an Officer of the Order of Australia (AO). It's a testament to her world-leading research in the field of congenital heart disease. [You can learn more about her research 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**  
murdock children's research institute | **Garvan Institute**  
of Medical Research

**kr kids research** **kids critical care research**

**NeuRA**  
Discover — Conquer — Cure

**PAIN  
Foundation**

**Perkins**  
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**