

5 July 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 June 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 generally positive in June. The Nasdaq again led the way with a 6% gain, whilst the S&P 500 also hit a record high and was up 3.4%. Investors were undeterred by labor-market and service-sector data suggesting the economy may be cooling. The UK's FTSE 100 closed up 0.5% as gains in copper prices on supply concerns lifted London-listed mining stocks. Asian markets were mixed as investors digested weaker-than-expected economic data from China. Chinese industrial output lagged expectations, and a slowdown in the property sector showed no signs of easing despite supportive policies from Beijing in recent months.

The HM1 portfolio was up 0.7% for the month slightly below the world index. The HM1 portfolio is up 11.7% over the past year, with an annualised pre-tax investment return of 9.3% pa since inception in November 2018, and has paid fully franked dividends totalling 53 cents per share.

This month saw the successful listing of one of our two private companies Guzman Y Gomez (GYG). This along with Rokt have both been selected by our core manager TDM Growth Partners. We initially bought this position in January 2023 at an equivalent price of \$16. As at 30 June, the current valuation represents an impressive gain of 72%.

Guzman y Gomez is Australia's fastest-growing quick serve restaurant group, reinventing the fast-food industry by serving made-to-order, clean and healthy Mexican food across Australia, Singapore, Japan and now the USA. The thesis is that GYG will be the McDonald's of the next generation, redefining the future of the global QSR industry. GYG has grown from one store in Newtown to scaling to over 200 stores across drive-thru and suburban strip store formats and now has all the ingredients of becoming a successful global brand that continues to grow at high rates for many years to come. GYG's highly differentiated offering of being able to deliver clean, fresh food at speed and scale across all mealtimes, across all formats including drive-thru is based on GYG's innovative and proprietary operating system. This has allowed for very high traffic times to be serviced without compromise. On any given store opening, it is not unusual to serve 5,000 burritos on the first day. At the heart of every great consumer business is a great brand, and GYG continues to innovate as to how it engages and builds its brand across channels.

If you would like to hear more about GYG please have a [listen to this recent podcast](#) which interviews the founder and co-CEO Steve Marks alongside his co-CEO Hilton Brett.

We also had an insightful conversation with Jeremy Bond, Founder of Terra Capital (HM1 Fund Manager) to discuss the market and his [2023 conference stock pick](#), NexGen Energy (NXE.TO), currently up 8%. You can listen to [the conversation here](#).

<b>Pre-Tax NTA</b>	<b>\$3.09</b>
<b>Post-Tax NTA</b>	<b>\$3.05</b>
<b>Share Price</b> (ASX: HM1)	<b>\$2.58</b>
<b>Investment Performance p.a.</b> (Since inception 14 Nov 2018)	<b>9.3%</b>
<b>Latest Dividend</b> (Interim dividend paid 18 April 2024)	<b>7cps</b>
<b>Fully Franked Dividend Yield<sup>1</sup></b>	<b>5.4%</b>
<b>Cash Weighting</b>	<b>6%</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>\$48.9m</b>

<sup>1</sup>Fully franked dividend of 14.0cps divided by share price on 30 June 2024. <sup>2</sup>Represents the level of future dividends (expressed as cents per share) that can be fully franked. All figures as at 30 June 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	0.7%	8.3%	11.7%	-5.1%	9.3%
MSCI World Index (AUD)	1.4%	13.5%	18.3%	9.3%	11.8%

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	FY21	FY22	FY23	FY24
Dividends – fully franked	12cps	13.5cps	13.5cps	14.0cps

### Top 10 Core Portfolio Holdings

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

 <b>Amazon</b> AMZN.NAS	 <b>Block Inc</b> SQ.NYSE	 <b>Formula One Group</b> FWONK.NAS	 <b>Guzman Y Gomez</b> GYG.AX	 <b>ICE</b> <b>Intercontinental Exchange Ltd</b> ICE.NYSE
 <b>Mastercard Inc</b> MA.NYSE	 <b>Microsoft</b> <b>Microsoft Corporation</b> MSFT.NAS	 <b>ROKT</b> <b>Rokt</b>	 <b>TSMC</b> TSM.NYSE	 <b>Zillow</b> <b>Zillow Group Inc</b> Z.NAS

### Conference Portfolio Holdings

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

 <b>AIA Insurance</b> 1299.HK	 <b>Ashland</b> ASH.NYSE	 <b>Games Workshop</b> GAW.L	 <b>IFF</b> <b>International Flavours &amp; Fragrances Inc.</b> IFF.NYSE	 <b>IWG</b> International Workplace Group <b>International Workplace Group</b> IWG.L
 <b>Miniso Group</b> 9896.HK	 <b>NexGen</b> <b>NexGen Energy</b> NXE.TO	 <b>SWIRE PACIFIC</b> <b>Swire Pacific</b> 0019.HK	 <b>Telix</b> <b>Telix Pharmaceuticals</b> TLX.AX	 <b>WebsterBank</b> <b>Webster Bank</b> WBS.NYSE
 <b>7Wise</b> <b>Wise</b> WISE.L				

## News from the **HM1 Network**

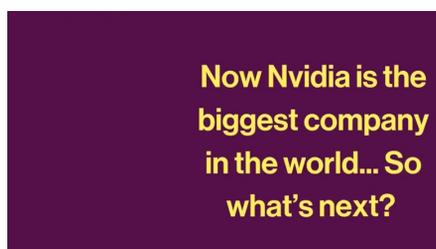
---



In the latest episode of the Hearts & Minds Podcast, **CIO Charlie Lanchester** sits down with **Jeremy Bond, Founder of Terra Capital** and HM1 Conference Fund Manager. From a young trader in Perth to founding Terra Capital at 28, Jeremy discusses the importance of balancing micro and macroeconomic factors, how he navigates market volatility, and maintains long-term investment performance. He also shares insights into his stock from the 2023 Sohn Hearts & Minds Conference, NexGen Energy (NXE.TO), and another company to keep an eye on. [You can listen to the episode here.](#)



On 20 June 2024 **Guzman y Gomez** (HM1 Core Holding) joined the Australian Securities Exchange (ASX) trading under ticker 'GYG'. *Equity Mates* recently spoke with Guzman y Gomez co-CEOs **Steven Marks and Hilton Brett** to talk about what's next for the Mexican quick service restaurant giant. Together, they discuss the story of Guzman y Gomez, where they see their sustainable competitive advantage, their ambition to reach 1,000 stores in Australia, and how they are tracking with international expansion to the US, Singapore and Japan. [You can listen to the episode here.](#)



**Munro Partners** (Core & Conference Fund Manager) has been a big fan of Nvidia for a long time, with the investment team predicting that Nvidia could become the biggest company in the world. On Wednesday 19 of June 2024, that prediction came true. Now that Nvidia has reached this significant milestone, what does its future hold? Does the investment case still stack up? In this episode of *Invest in the Journey*, **Chief Investment Officer of Munro Partners, Nick Griffin**, shares his thoughts on what might come next for Nvidia. [You can listen to the episode here.](#)



Catch up on this insightful episode with **Professor Nadia Badawi AM**, an internationally recognised neonatologist and expert in cerebral palsy and newborn brain conditions. Hosted by Hearts & Minds **CEO Paul Rayson**, this conversation explores Cerebral Palsy, its causes, and its impact on children and families. They discuss the incredible 40% reduction in cerebral palsy rates in Australia over the past two decades, highlighting the critical role of philanthropic funding and the impact of strategic, high-risk investments in innovative medical research. [You listen to the episode here.](#)



HM1 invests 35% of its portfolio in the highest conviction investment recommendations presented by local and global fund managers at the annual **Sohn Hearts & Minds Conference**. This year the event heads to **Adelaide on Friday 15 November**. There is an exciting lineup of international and local speakers planned - stay tuned for our official launch. [You can subscribe here to be the first to know.](#) Sohn Hearts & Minds is Australia's leading finance and philanthropic event dedicated to advancing Australian medical research, having donated **over \$65 million since inception**.

### Core Fund Managers









### Conference Fund Managers














### Designated Beneficiaries





















### Pro-Bono Service Providers







