

10 Dec 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 November Investment Update.

If you would like to receive these monthly investment updates via email please [subscribe here](#).

We are also excited to introduce our new interactive investor hub. This platform offers the latest company announcements and provides an opportunity for shareholders to ask questions, share comments, and offer feedback. We invite you to sign up and [join the conversation](#).

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 organisations.

Portfolio Commentary

As expected, US election results were the primary driver of market performance in November. Donald Trump's presidential victory and the fact that the Republican party secured a majority in both chambers of Congress increased expectations that the next government's policies will increase American exceptionalism in the economy and markets. US equity markets were boosted by the prospect of further tax cuts, expansionary fiscal policy, and the implementation of a more nationalist trade policy. Domestically exposed US small caps were seen as the main beneficiaries and were up strongly over the month. The healthcare sector underperformed due to concerns about the new administration's less friendly stance towards the pharma industry. The Q3 earnings season was also moderately positive for US equities, with earnings per share growth ahead of expectations.

Global equities registered a 5% gain in AUD terms for the month. Outside US markets, the election result was met with some caution. Emerging markets underperformed developed markets by 9%. Chinese equities declined due to concerns about a future trade conflict as well as an emerging consensus that the previously announced government support measures are not yet sufficient to overcome the domestic real estate and confidence crisis.

The US dollar rally also had a small impact on the relative performance of markets in November and again assisted the HM1 portfolio. The perception that Trump's fiscal plans could be inflationary and potentially cut short the Federal Reserve's rate-cutting cycle led to the strong consecutive monthly gains for the dollar.

The HM1 portfolio was up 8% for the month outperforming major markets due to a strong performance on some of our key holdings, notably, Zillow, Block, Telix, Brookfield and Corpay. The continued strong investment performance has seen HM1 pre-tax investment returns of 36% over the last 12 months. HM1's annualised pre-tax investment return since inception in November 2018 is 11.9% per annum. HM1 paid an increased half-yearly fully franked dividend of 7.5 cents per share on 17 October 2024 bringing total dividends paid since inception of 60.5 cents per share.

As promised in last month's report, [here is a recap of the Sohn Hearts & Minds Conference](#), held in Adelaide on 15 November 2024, along with the stocks pitched during the event. It was a fascinating mix of presentations. A big thank you to Gary Weiss, David Wright and Michael Walsh for their invaluable contributions to our Conference Fund Manager Selection Committee. We were able to secure an interesting and diverse group of bright minds from around the world to pitch a fascinating and compelling group of stocks. These stocks are now all in the portfolio and it will be exciting to see how they perform over the coming year.

Pre-Tax NTA	\$3.62
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Post-Tax NTA	\$3.40
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Share Price (ASX: HM1)	\$3.06
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Investment Performance p.a. (Since inception 14 Nov 2018)	11.9%
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Latest Dividend (Half-yearly)	7.5cps
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Fully Franked Dividend Yield¹	4.9%
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Cash Weighting	3%
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Profits Reserve (At 30 June 2024)	58cps
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Available Franking Credits² (At 30 June 2024)	42cps
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Cumulative Medical Research Funding	\$70m
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¹Annualised fully franked dividend of 15.0cps divided by share price on 30 November 2024. ²Represents the level of future dividends (expressed as cents per share) that can be fully franked. All figures as at 30 November 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
Investment Performance	8.1%	20.9%	36.8%	1.9%	11.9%
MSCI World Index (AUD)	5.2%	12.6%	27.6%	10.2%	12.9%

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.

Dividends

Dividend Payments	FY21	FY22	FY24	FY24	FY25 (Half Yearly)
Dividends – fully franked	12.0cps	13.5cps	13.5cps	14.0cps	7.5cps

Top 10 Core Portfolio Holdings

Represents 51% of total portfolio holdings (in alphabetical order)



Amazon
AMZN.NAS



Block Inc
SQ.NYSE



Formula One Group
FWONK.NAS



Guzman Y Gomez
GYG.AX



Intercontinental Exchange Ltd
ICE.NYSE



Mastercard Inc
MA.NYSE



Microsoft Corporation
MSFT.NAS



Opthea Ltd
OPT.AX



TSMC
TSM.NYSE



Zillow Group Inc
Z.NAS

Conference Portfolio Holdings

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



Airbus SE
AIR.EPA



BlackLine, Inc.
BL.NAS



Cellnex Telecom S.A.
CLNX.BME



Coeur Mining, Inc.
CDE.NYSE



Corporate Travel Management
CTD.AX



DiDi Global Inc.
DIDIY.OTC



Eli Lilly and Company
LLY.NYSE



The Estée Lauder Companies Inc.
EL.NYSE



Perpetual Limited
PPT.AX



Tencent Music Entertainment
TME.NYSE



TransDigm Group Incorporated
TDG.NYSE

News from the **HM1 Network**



In the latest episode of the Hearts & Minds Podcast, we sit down with **Professor Jane Butler** to discuss her groundbreaking research into spinal cord injuries. Jane shares her inspiring journey, from aspiring pilot to Senior Principal Research Scientist at **NeuRA**, and her passion for understanding how the brain and nervous system control movement and vital functions like breathing. [You can listen to the episode here.](#)



As promised in last month's report, [here is a recap of the Sohn Hearts & Minds Conference](#) that was held in Adelaide on 15 November 2024, including all the stocks pitched. The event featured a captivating mix of presentations. We brought together an interesting and diverse group of brilliant minds from around the world to pitch a compelling selection of stocks. These stocks are now part of the portfolio, and it will be exciting to watch how they perform over the coming year.



Ahead of the Sohn Hearts & Minds Conference, **HM1 Chair Chris Cuffe** and **Chief Investment Officer Charlie Lanchester** shared with *The Australian* their target of growing the fund to over \$1.5 billion within the next five years. An extension of the original Sohn Hearts & Minds initiative, HM1 continues to make a profound impact—this year, it will contribute \$12 million to medical research charities, alongside the funds raised through the conference. [You can read the full article here.](#)



At the recent Sohn Hearts & Minds Conference, **Professor Jason Kovacic, Director and CEO of the Victor Chang Cardiac Research** interviewed **Professor Alex Brown** who leads the Indigenous Genomics programs at The Kids Research Institute Australia and The Australian National University and is head of a new NSW Government funded Precision Medicine for Public Health project. The \$1.4 million project will fill a critical gap in precision medicine by engaging and empowering Aboriginal communities on a large scale. [Read a summary of the interview here.](#)



Among the 11 picks for 2025, there were no Artificial Intelligence, chipmakers or data centres in sight. While these trends were easily the hottest thing in international sharemarkets, our Conference Fund Managers for the year ahead are betting on a different assortment of companies to capture investor attention next year. While there are a few mega-caps on the list, there are also stocks many would never have heard of. [You can read insights from The Sydney Morning Herald here.](#)

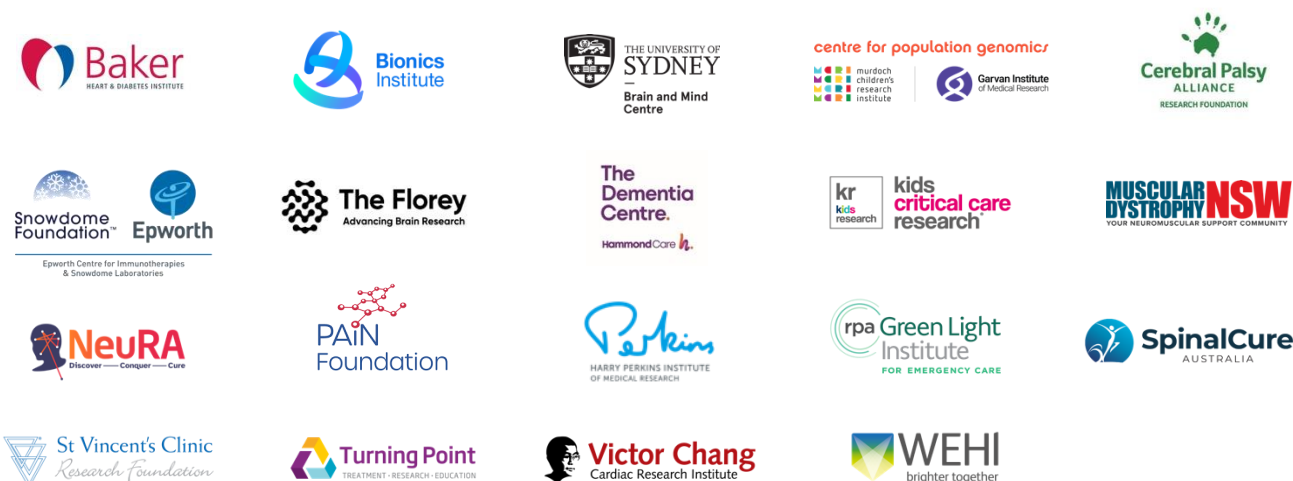
Core Fund Managers



Conference Fund Managers



Designated Beneficiaries



Pro-Bono Service Providers



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