

7 Feb 2025

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](#).

A reminder to join our interactive investor hub to discover the latest company announcements and engage with management. On this platform you can ask questions, share comments, and provide 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

The HM1 portfolio had a good start to 2025 and was up 5.2% in January, well ahead of the MSCI World Index (AUD) which was up 2.3%. Since inception in 2018, HM1 has delivered an annualised pre-tax investment return of 13.0% p.a.

This January was a volatile but largely positive month for markets, with several key events shaping investor sentiment. President Trump's inauguration and subsequent executive orders, particularly those relating to tariffs, created significant uncertainty. While initial tariff actions weren't as aggressive as feared, the later initial imposition of tariffs on Canada, Mexico, and China sparked a sell-off and raised concerns about further escalation and retaliation. These "America First" policies seem likely to continue and are contributing to global economic uncertainty.

Another interesting development saw the surprise emergence of the Chinese AI company DeepSeek. This led to questions around the dominance of the US tech giants in AI. While the overall AI investment thesis remains intact, the rapid pace of innovation raises concerns about the long-term competitive advantage of these companies and whether their substantial capital expenditure is justified if similar technological advancements can be achieved at a lower cost.

HM1 was pleased to announce in January that it has [revalued its investment in Rokt Inc](#) (Rokt) from US\$25 per share to US\$35. The revaluation follows Rokt's recent announcement of a completed secondary transaction of ~US\$335m. HM1 acquired its holding in Rokt at US\$25 per share in January 2023. The revaluation of the holding to US\$35 per share represents an unrealised gain (including currency movement) on HM1's investment in Rokt of 61% since purchase.

The HM1 investment portfolio increased 23.6% in the six months to 31 December 2024. This strong performance has supported the Board of Directors decision to make an early announcement of an increased fully franked half-yearly dividend of 8.0 cents per share. You can [read the Dividend Announcement here](#).

The Board of Directors are confident that HM1's continued strong investment performance and increased fully franked half-yearly dividend will continue to narrow the share price discount to HM1's pre-tax net tangible assets (NTA) per share.

Pre-Tax NTA	\$3.92
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Post-Tax NTA	\$3.61
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Share Price (ASX: HM1)	\$3.21
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Investment Performance p.a. (Since inception 14 Nov 2018)	13.0%
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Latest Dividend (Half-yearly fully franked dividend payable 17 April 2025)	8.0cps
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Annualised Dividend Yield¹	5.0%
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Cash Weighting	4%
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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 16.0cps divided by share price on 31 January 2025. ²Represents the level of future dividends (expressed as cents per share) that can be fully franked. All figures as at 31 January 2025 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.

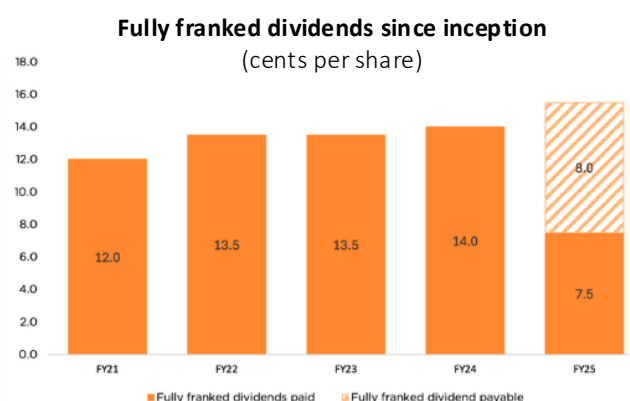
HM1 Investment Performance

Investment Performance	1 month	6 months	1 year	3 years per annum	Since Inception per annum
Investment Performance	5.2%	24.3%	36.7%	8.8%	13.0%
MSCI World Index (AUD)	2.3%	10.4%	26.2%	12.3%	13.4%

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.

Dividends



Half-yearly fully franked dividend dates

Ex-dividend date:	26 February 2025
Record date:	27 February 2025
DRP election date:	12 March 2025
Payment date:	17 April 2025

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
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.
DIDI.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**



Strong investment performance drives increased fully franked half-yearly dividend

We're pleased to share that HM1's investment portfolio **increased 23.6%** in the six months to 31 December 2024. This strong performance has supported the Board's decision to make an early announcement of an **increased fully franked half-yearly dividend of 8.0 cents per share**. The half-yearly fully franked dividend of 8.0 cents equates to an annualised fully franked dividend yield of 5.2%, and a grossed up yield of 7.4% on the HM1 share price at 31 December 2024. [You can read the Dividend Announcement here.](#)



Australia's biggest resources funds are gearing up for a strong start to the new year as China boosts stimulus and US President-elect Donald Trump delivers tax cuts, driving global growth and commodity prices. **Jeremy Bond, Founder of Terra Capital and HM1 Conference Fund Manager** shared with *The Australian Financial Review* that Coeur Mining (CDE.NYSE), [his 2024 Sohn Hearts & Minds Conference stock pick](#), is well-positioned to capitalise on the surge in silver prices. He also sees strong potential in ASX-listed titanium producer IperionX. [You can read more expert insights here.](#)



Leading investors have identified healthcare, ride-sharing, and the emerging world of YouTube entertainers as key industries for growth in 2025. In a recent article by *The Australian Financial Review*, **Kieran Moore of Munro Partners** shared **TSMC** (TSM.NYSE) as his top pick—one of Munro's recommended stocks for HM1's Core Portfolio. Additionally, **Didi** (DIDIY.OTC) and **Eli Lilly** (LLY.NYSE), two stocks pitched by other fund managers at the 2024 Sohn Hearts & Minds Conference and held in HM1's Conference Portfolio, were also highlighted as investment opportunities. [You can read more here.](#)



Join a thought-provoking conversation with two of HM1's beneficiaries: The Florey and Turning Point. **Professor Andrew Lawrence of The Florey, Professor Dan Lubman AM of Turning Point**, and Lisa Rebecca, who has been in recovery for 12 years, come together to explore the complexities of addiction. They discuss how the human brain becomes addicted, why addictions are so difficult to treat, and what the future holds for those experiencing these neuropsychological challenges. [You can listen to the conversation here.](#)



Qiao Ma, Portfolio Manager at Munro Partners (HM1 Core Fund Manager) joined **Owen Rask** on *The Australian Investors Podcast* to discuss what it takes to find killer stocks, how she survived the GFC, why founders tend to win, the importance of 'control' in long-term investing, Munro's investment process and Qiao's two pieces of advice to her younger self. [You can watch the interview here.](#)

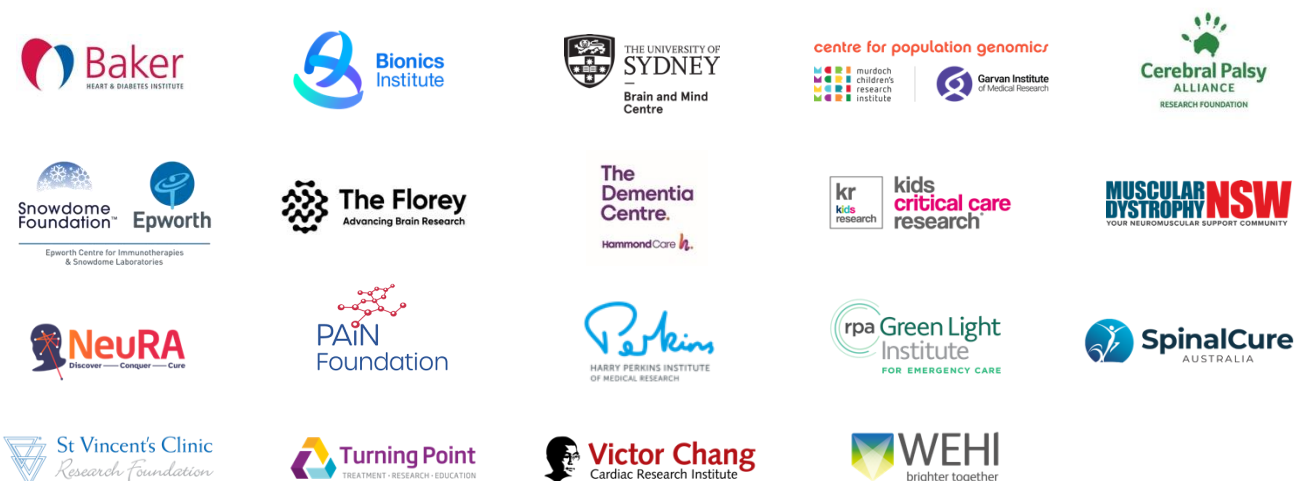
Core Fund Managers



Conference Fund Managers



Designated Beneficiaries



Low-Bono Service Providers



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