

9 September 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 August Investment Update.

We invite you 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. Sign up and [join the conversation 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 organisations.

Portfolio Commentary

The HM1 portfolio was down by -0.05% in August, marginally underperforming the MSCI World Accumulation Index (AUD), which gained 0.85%. Since inception, HM1 has delivered an annualised pre-tax investment return of 12.05% p.a. As at 31 August, the current annualised dividend yield is 5.2%, fully franked.

FY25 Results & Dividend

We recently released our FY25 Results announcement, declaring an increased final fully franked dividend of 9.0 cents per share, payable in October 2025. This represents a fully franked 5.9% yield and a grossed-up yield of 8.5% on the HM1 share price at 30 June 2025. Given the strong level of franking capacity, the Board is focused on releasing these franking credits to shareholders through sustainable and growing fully franked dividends. To this end, the Board intends to increase fully franked dividends by 0.5cps every six months for the foreseeable future. [Read the full results announcement here.](#)

Reporting Season

As part of our regular manager engagement, we spoke with our current Core Fund Managers following Reporting Season to get their insights on some of the key positions in the portfolio. [You can read them here.](#)

Pre-Tax NTA	\$3.89
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Post-Tax NTA	\$3.56
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Share Price (ASX: HM1)	\$3.47
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Investment Performance p.a. (Since inception 14 Nov 2018)	12.05%
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Latest Dividend (Final fully franked payable 16 October 2025)	9.0cps
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Annualised Dividend Yield¹ (Fully franked)	5.19%
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Cash Weighting	4%
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Fully-franked dividends supported by profit reserve and retained earnings² (at 30 June 2025)	90cps
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Cumulative Medical Research Funding³	\$83.7m
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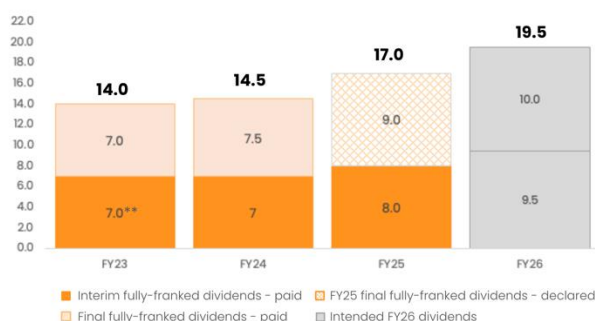
¹Annualised fully franked dividend of 18.0cps divided by share price on 31 August 2025. ²Based on franking balance of 11 cps (supporting franked dividends of 27 cps), plus tax liabilities on balance sheet of 27 cps, which if and when paid in tax, will support franking of a further 63 cps of dividends. ³Figure includes donations made by Sohn Hearts & Minds Conference. All figures as at 31 August 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	-0.05%	5.22%	25.34%	16.09%	12.05%
MSCI World Accumulation (AUD)	0.85%	5.21%	19.93%	20.91%	15.22%

HM1 Investment Performance is calculated after expenses and before Australian taxes. The comparator is the MSCI World Accumulation in AUD; gross of withholding tax. Inception 14 Nov 2018.

Fully franked dividends since inception



Final fully franked dividend dates

Ex-dividend date:	10 September 2025
Record date:	11 September 2025
DRP election date:	15 September 2025
Payment date:	16 October 2025

**Prior to FY24, HM1 paid dividends annually. The dividend in April 2023 was 13.5 cps. For the purposes of this chart, we have allocated 7.0 cps to the FY23 financial year. Prior dividends were 12.0 cps in April 2021 and 13.5 cps in April 2022. The Dividend Reinvestment Plan (DRP) will be in operation, allowing shareholders to reinvest their dividend in new HM1 shares at the DRP issue price.

Top 10 Core Portfolio Holdings

Our top 10 holdings represents 48% of total portfolio holdings (in alphabetical order)

 Amazon AMZN.NAS	 Block Inc XYZ.NYSE	 Guzman Y Gomez GYG.AX	 Intercontinental Exchange Ltd ICE.NYSE	 Mercado Libre MELL.NYSE
 Microsoft Corporation MSFT.NAS	 Nvidia NVDA.NAS	 Rokt	 TSMC TSM.NYSE	 Zillow Group Inc Z.NAS

Conference Portfolio Holdings

Our conference holdings represents 34% 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 EL.NYSE	 Perpetual Limited PPT.AX	 Tencent Music Entertainment TME.NYSE
 TransDigm Group Incorporated TDG.NYSE				

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News from the HM1 Network



Reporting Season Recap

As part of his regular manager engagement, our **Chief Investment Officer, Charlie Lanchester**, spoke with HM1's Core Fund Managers following Reporting Season. Second quarter results were strong across the board driven by the technology and finance sectors. Despite concerns over US tariff implementation, economic growth remains positive and stock markets were propelled to new highs.

[You can read the insights here.](#)



Dividend Policy Update

We announced an increased final FY25 fully franked dividend of 9.0cps, payable 16 October. This represents a fully franked 5.9% yield and a grossed-up yield of 8.5% on the HM1 share price at 30 June 2025. The Board also announced its intention to increase fully franked dividends by 0.5cps every six months for the foreseeable future. The Dividend Reinvestment Plan (DRP) will be in operation, allowing shareholders to reinvest their dividend in new HM1 shares at the DRP issue price.

[Read more on our InvestorHub here](#)



Investing in the AI Era

The AI era is here, transforming industries and creating unprecedented opportunities for innovation and growth. Companies like Nvidia, TSMC, and Broadcom are leading the way. **Munro Partners** share insights on where they see investment opportunities emerging, both in AI infrastructure and in meeting rising energy demands with carbon-free, decarbonised solutions.

[Read more on Munro Partners' website.](#)



Transforming Early Detection for Cerebral Palsy

Through HM1 funding support, the *Early General Movements Screening Feasibility Pilot* is advancing innovative approaches to neonatal screening, using digital tools and machine learning to improve early detection of Cerebral Palsy. This improves access to interventions and long-term outcomes for children and families.

[Learn more about the pilot here.](#)



Bold ideas. Real impact. Live in Sydney this November.

The **Sohn Hearts & Minds Conference returns to Sydney on 14 November**, unlocking bold ideas and exclusive insights in support of medical research. Hear directly from the fund managers whose stock picks shape 35% of the HM1 portfolio for the year ahead. Shareholders can access discounted tickets by emailing ir@hm1.com.au.

[Join us on 14 November in Sydney.](#)

Core Fund Managers







Conference Fund Managers













Designated Beneficiaries

























Low-Bono Service Providers







