

11 March 2026

The Manager  
ASX Market Announcements  
ASX Limited  
Exchange Centre  
Level 27, 39 Martin Place  
Sydney NSW 2000

Dear Shareholders,

Please find attached Hearts and Minds Investments Limited's February 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,

*Natalie Climo*

Natalie Climo  
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 HMI portfolio was down 5% for the month of February, underperforming the MSCI World Accumulation Index (AUD), which was down 1.3%.

Performance during the month reflected weakness across the global software sector, while equity markets were mixed, with a notable rotation away from high-multiple growth stocks.

The most significant development during the period was a sharp correction across software companies as investors reassessed the potential implications of rapid advances in artificial intelligence. In particular, the emergence of increasingly capable AI agents has raised questions about the durability of traditional SaaS models that rely on per-seat pricing and workflow automation. This resulted in a broad compression in valuation multiples across the entire software universe.

Within the portfolio, monday.com (MNDY.NAS), BlackLine (BLNAS) and Zillow (Z.NAS) were among the companies affected by this sector-wide re-rating, despite little change in the underlying progress of their businesses. We continue to view these businesses as well-positioned platforms with strong customer value propositions and attractive long-term growth opportunities. Indeed, over time the same advances in AI that unsettled investors during the month may ultimately enhance the capabilities and value of these software platforms.

Since inception, HMI has delivered an annualised pre-tax investment return of 9.77% p.a. As at 28 February, the current annualised dividend yield is 6.6%, fully franked.

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<b>Pre-Tax NTA</b>	<b>\$3.33</b>
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<b>Post-Tax NTA</b>	<b>\$3.14</b>
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<b>Share Price</b> (ASX: HMI)	<b>\$2.90</b>
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<b>Investment Performance p.a.</b> (Since inception 14 Nov 2018)	<b>9.77%</b>
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<b>Latest Dividend</b> (Final fully franked payable 16 April 2026)	<b>9.5cps</b>
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<b>Annualised Dividend Yield<sup>1</sup></b> (Fully franked)	<b>6.55%</b>
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<b>Cash Weighting</b>	<b>5%</b>
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<b>Cumulative Medical Research Funding<sup>2</sup></b>	<b>\$90.5m</b>
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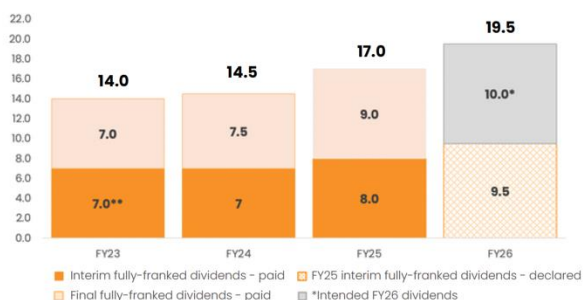
<sup>1</sup>Annualised fully franked dividend of 19.0cps divided by share price on 28 February 2026. <sup>2</sup>Figure includes donations made by Sohn Hearts & Minds Conference. All figures as at 28 February unless otherwise stated. Fund inception 14 Nov 2018. Disclaimer: This is general information only and does not consider your objectives, financial situation, or needs. You should read the relevant offer documents and seek independent financial advice before making any investment decisions. All investments carry risk, including the potential loss of capital. Past performance is not a reliable indicator of future returns. Hearts and Minds Investments Limited is a Corporate Authorised Representative (CAR No. 1317870) of Quay Arkos RE Services Limited (AFSL No. 563036).

## HMI Investment Performance

Investment Performance	1 month	6 months	1 year	3 years per annum	Since Inception per annum
Investment Performance	-5.07%	-8.93%	-4.18%	10.82%	9.77%
MSCI World Accumulation (AUD)	-1.28%	0.99%	6.25%	19.02%	14.27%

HMI 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



## Interim fully franked dividend dates

Ex-dividend date:	25 February 2026
Record date:	26 February 2026
DRP election date:	11 March 2026
Payment date:	16 April 2026

\*The Board of HMI has resolved to increase dividends by 0.5cps every 6 months for the foreseeable future subject to there being no sustained period of investment market underperformance. \*\*Prior to FY24, HMI paid dividends annually. The dividend in April 2023 was 13.5cps. For the purposes of this chart, we have allocated 7.0cps to the FY23 financial year. Dividends prior to FY23 were 12.0cps in April 2021 and 13.5cps in April 2022.

## Top 10 Core Portfolio Holdings

Our top 10 holdings represents 43% of total portfolio holdings (in alphabetical order)

 <b>Adidas</b> ADS.ETR	 <b>AIA</b> 1299.HK	 <b>Amazon</b> AMZN.NAS	 <b>Block Inc</b> XYZ.NYSE	 <b>Cameco</b> CCJ.NYSE
 <b>CK Hutchison</b> 0001.HK	 <b>Nvidia</b> NVDA.NAS	 <b>Rokt</b>	 <b>TSMC</b> TSM.NYSE	 <b>Zillow Group Inc</b> Z.NAS

## Conference Portfolio Holdings

Our conference holdings represents 32% of total portfolio holdings (in alphabetical order)

 <b>ACM Research</b> ACMR.NAS	 <b>Brookdale Senior Living</b> BKD.NYSE	 <b>Heidelberg Materials</b> HELETR	 <b>Live Nation Entertainment</b> LYV.NYSE	 <b>Monday.com</b> MNDY.NAS
 <b>Morimatsu International</b> 02155.HK	 <b>Puulo</b> PUULIO.HEL	 <b>SLB</b> SLB.NYSE	 <b>Steel Dynamics</b> STLD.NAS	 <b>TKO Group</b> TKO.NYSE

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## News from the Network



### Howard Marks' verdict on Artificial Intelligence

*Sohn Hearts & Minds Conference Supporter • Article • 5 minutes*

**Howard Marks, Co-founder of Oaktree Capital Management** and long-standing supporter of the Sohn Hearts & Minds Conference, has warned that artificial intelligence may be advancing faster than society can adapt. While its ability to generate truly new ideas remains uncertain, he believes its real strength lies in processing and organising information in a way that is broadly similar to humans.

[Read more of Howard's insights here.](#)



### Magellan Investment Partners: Outlook for global equities

*Core Fund Manager • Podcast • 25 minutes*

**Magellan Portfolio Managers' Alan Pullen** and **Casey McLean** join Investment Director and Analyst, **Elisa Di Marco** to reflect on the volatile start to 2025 and the powerful AI-driven rally that followed, before looking ahead to what 2026 may bring.

[You can listen to their conversation here.](#)



### In conversation with Qiao Ma: Life in funds management

*Conference Fund Manager • Article • 5 minutes*

In a recent interview with *The Australian Financial Review*, we learn more about star stock picker **Qiao Ma of Munro Partners**. She says the easy part of the job is finding and hanging onto winners. The hard part is knowing when to cut your losers.

[You can read the full article here.](#)



### Professor Daniel MacArthur: The new era of personalised medicine

*Medical Research Partner • Article • 5 minutes*

**Professor Daniel MacArthur** recently spoke with the *Herald Sun* about how AI-powered tools are transforming the analysis of genomic data and helping identify rare diseases earlier and more accurately. We're proud to support Professor MacArthur and the impact he's having in this growing field of medical innovation through the **Centre for Population Genomics**.

[You can read more about his research here.](#)

### Core Fund Managers



### Conference Fund Managers



### Designated Beneficiaries



### Low-Bono Service Providers

