Hearts & Minds Investments

Monthly Investment Update

at 31 December 2025

14 January 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 Revised December Investment Update. The update has been amended to correct HM1's Investment Performance figures.

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

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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 1.8% for the month of December, underperforming the MSCI World Accumulation Index (AUD), which was also down 1.0%.

Since inception, HM1 has delivered an annualised pre-tax investment return of 10.78% p.a. As at 31 December, the current annualised dividend yield is 5.64%, fully franked.

The 2025 Conference portfolio is off to a good start, with the highlight being **ACM Research (ACMR.NAS),** virtually pitched by **Beeneet Kothari of Tekne Capital Management.** You can watch his stock pitch here. ACM Research was up 18% in December and has continued to rally in early January 2026, currently up more than 50% since purchase.

One of our Core Fund Managers, **Magellan Investment Partners,** recently recommended two new positions to the portfolio, both listed in Germany: **SAP (SAP.ETR)** and **adidas (ADS.ETR).**

SAP provides enterprise software used to run core business operations, while adidas is a global sportswear company spanning performance and lifestyle products. You can read more about SAP and adidas here.

Pre-Tax NTA	**$3.60**
Post-Tax NTA	**$3.36**
Share Price (ASX: HM1)	**$3.19**
Investment Performance p.a. (Since inception 14 Nov 2018)	**10.78%**
Latest Dividend (Final fully franked paid 16 October 2025)	**9.0cps**
Annualised Dividend Yield[1] (Fully franked)	**5.64%**
Cash Weighting	**5%**
Cumulative Medical Research Funding[2]	**$83.7m**

[1]Annualised fully franked dividend of 18.0cps divided by share price on 31 December 2025. [2]Figure includes donations made by Sohn Hearts & Minds Conference. All figures as at 31 December 2025 unless otherwise stated. Fund inception 14 Nov 2018.

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HM1 Investment Performance

Investment Performance	1 month	6 months	1 year	3 years per annum	Since Inception per annum
Investment Performance	-1.84%	0.38%	1.98%	14.69%	10.78%
MSCI World Accumulation (AUD)	-0.99%	9.15%	12.72%	22.61%	15.18%

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 FY23	Interim FY24	Final FY24	Interim FY25	Final FY25
Dividend Payments	7.0cps	7.0cps	7.5cps	8.0cps	9.0cps

The Board of HM1 has resolved to increase dividends by 0.5 cps every 6 months for the foreseeable future subject to there being no sustained period of investment market underperformance. For full dividend history visit our dividends page. Please ensure your bank account details are up to date by logging into InvestorServe.

Top 10 Core Portfolio Holdings

Our top 10 holdings represents 44% of total portfolio holdings (in alphabetical order)

adidas
ADS.ETR

AIA
1299.HK

Amazon
AMZN.NAS

Block Inc
XYZ.NYSE

Microsoft Corporation
MSFT.NAS

Nvidia
NVDA.NAS

Rokt

SAP
SAP.ETR

TSMC
TSM.NYSE

Zillow Group Inc
Z.NAS

Conference Portfolio Holdings

Our conference holdings represents 29% of total portfolio holdings (in alphabetical order)

ACM Research
ACMR.NAS

Brookdale Senior Living
BKD.NYSE

Heidelberg Materials
HEI.ETR

Live Nation Entertainment
LYV.NYSE

Monday.com
MNDY.NAS

Morimatsu International
02155.HK

Puuilo
PUULIO.HEL

SLB
SLB.NYSE

Steel Dynamics
STLD.NAS

TKO Group
TKO.NYSE

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News from the Network

Munro Partners: Wrapping up the year that was and looking ahead

Core Fund Manager • Podcast • 23 minutes

In a recent episode of *Invest in the Journey*, **Munro Partners' Chief Investment Officer, Nick Griffin,** looks back on 2025 and explains how the team is positioning for the opportunities ahead in 2026.

You can listen to the recent podcast with Munro Partners here.

Magellan Investment Partners: Six themes that matter most for Listed Infrastructure investors in 2026

Core Fund Manager • Article • 5 minutes

Several forces are emerging that **Magellan Investment Partners** believe will shape the outlook for listed infrastructure in the new year. These are not just abstract themes but real shifts already influencing markets and investor positioning.

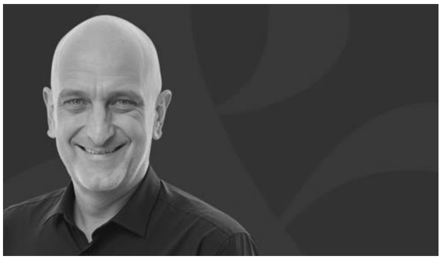
You can read Magellan's insights on our website here.

Harry Perkins Institute of Medical Research Partners: 2025 Highlights

Medical Research Partner • Article • 10 minutes

The **Harry Perkins Institute of Medical Research** is advancing understanding of rare neuromuscular diseases through cutting-edge research and strong patient engagement. We're proud to support their work, as nominated by Magellan Investment Partners.

You can discover some of their 2025 highlights here.



TDM Growth Partners: Relevancy and Reinvention with Rokt's CEO & Co-Founder Bruce Buchanan

Core Fund Manager • Podcast • 52 minutes

With revenue growing more than eightfold, **Rokt** is now strongly profitable and continuing to build on its founding insight: the power of relevance. **TDM Growth Partners**, who recommended **Rokt** for the HM1 Core Portfolio, caught up with **CEO and Co-Founder Bruce Buchanan** to explore what comes next.

You can listen to the podcast here.

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Core Fund Managers

Caledonia, Magellan Investment Partners, Munro, Prusik, tdm. Growth Partners

Conference Fund Managers

Antipodes, Advent Global Opportunities, Ellerston Capital, Eminence Capital, IFM Investors, J O Hambro Capital Management Group, Loftus Peak, Northcape Capital, Tekne Capital, TerraCapital, Scalar Gauge Fund

Designated Beneficiaries

Baker Heart & Diabetes Institute, Bionics Institute, Black Dog Institute, The University of Sydney Brain and Mind Centre, Centre for Population Genomics (Murdoch Children's Research Institute, Garvan Institute of Medical Research), Cerebral Palsy Alliance Research Foundation, Snowdome Foundation / Epworth, The Florey, Murdoch Children's Research Institute, Muscular Dystrophy NSW, NeuRA, Pain Foundation, Harry Perkins Institute of Medical Research, Peter Mac, SpinalCure, Sydney Children's Hospitals Foundation, RPA Green Light Institute for Emergency Care, St Vincent's Clinic Research Foundation, UNSW Sydney, Victor Chang Cardiac Research Institute, WEHI

Low-Bono Service Providers

BoardRoom, Charter Hall, Citco, C:WAN, InvestorHub, King & Wood Mallesons 金杜律师事务所, Mont Lawyers, Pathzero, Sodali & Co, Xcheqer