

## Fund Update

The Fund reported a Net Asset Value (NAV) of **\$1.4602**/unit at the end of May, declining 2.6% during the month and delivering a 24.1% annualised return since inception. Key drivers of the performance during the month were a 7.9% decline in the Lendlease share price and a 2.9% decline in the GrainCorp share price.

Entry price **\$1.4646 / unit<sup>1</sup>**

Exit price **\$1.4558 / unit<sup>1</sup>**

The S&P/ASX300 Accumulation Index demonstrated resilience, posting a 0.9% gain for the month, despite a late-month sell-off triggered by higher-than-expected May CPI data. Bond yields rose during the month, reflecting money market expectations that the timing of any RBA rate cut has been delayed until the second half of 2025, and investors continue to grapple with the implications of the dual challenge of sticky inflation and a rapidly slowing economy.

## Key Investment Updates

### Baby Bunting

In May the Fund was pleased to disclose its fifth investment, having accumulated a 12.31% shareholding in Baby Bunting over recent months. Baby Bunting is a national specialty baby and maternity retailer with +70 stores across Australia and New Zealand. The Investment Team has commenced constructive engagement with the management of Baby Bunting and we look forward to bringing the expertise of the broader HMC Capital network to help realise the value potential in the company.

### Lendlease

On 27 May 2024, LLC announced a major strategy update and arguably the most significant update in the company's history. The strategy paves the way for significant value creation with LLC's high ROE Australian business and funds management platform no longer masked by its loss making and capital-intensive offshore assets. HMC fully supports the strategy which follows significant engagement with the board on LLC's strategic direction over the past 12 months.

## New Capital Raising Campaign – June 2024

During June 2024, the Fund is undertaking a new capital raising campaign in order to grow Fund capacity to take advantage of further opportunities. The first \$50m in capital raised will be eligible for an Investment Incentive in the form of a "bonus 2% contribution" where HMC Capital<sup>2</sup> will pay 2% of the issue price for subscribing investors – meaning that they only pay 98%<sup>3</sup>.

Refer to the [Investor Letter](#) or contact us at [invest@hmccapital.com.au](mailto:invest@hmccapital.com.au) for further details and instructions on how to apply.

## Fund NAV per Unit<sup>4</sup>

\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1.0000	\$1.0372	\$1.0269	\$1.0534	\$1.0348
2023	\$1.0740	\$1.0681	\$1.0596	\$1.0760	\$1.0696	\$1.1692	\$1.1943	\$1.1636	\$1.0717	\$0.9459	\$1.0317	\$1.2738
2024	\$1.3573	\$1.4177	\$1.5522	\$1.4991	\$1.4602							

<sup>1</sup> Entry and Exit prices reflect the Net Unit Value as at 31 May 2024, adjusted by the buy-sell spread (currently 0.30%)

<sup>2</sup> HMC Capital Limited (ASX:HMC) has agreed to pay or procure the payment of the Investment Incentive.

<sup>3</sup> Represents an incentive for the subscribing investor, with HMC Capital to fund the 2% subscription amount as described in more detail under the 'Investment Incentive' section below. The payment of the Investment Incentive will not result in any dilution for existing Fund investors.

<sup>4</sup> As at month end. NAV per unit refers to Trust A and Trust C units.

## Monthly Fund Returns (Net)<sup>5</sup>

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.7%	(1.0%)	2.6%	(1.8%)	3.5%
2023	3.8%	(0.5%)	(0.8%)	1.5%	(0.6%)	9.3%	2.1%	(2.6%)	(7.9%)	(11.7%)	9.1%	23.5%	23.1%
2024	6.6%	4.5%	9.5%	(3.4%)	(2.6%)								14.6%

## Fund Performance (Net)<sup>3</sup>

%	1mth	3mth	6mth	1yr	2yr	Inception (annualised)	Inception (aggregate)
Net Return (%)	(2.6%)	3.0%	41.5%	36.5%	n.a.	24.1%	46.0%

## Fund Strategy

HMC Capital Partners Fund I (**Fund**) is an Australian-domiciled open-ended unlisted fund providing exposure to a high-conviction investment strategy seeking to generate superior risk-adjusted returns<sup>6</sup>.

The Manager primarily invests across a concentrated portfolio of high-conviction stakes in listed Australian and New Zealand companies with real asset backing where there is potential to unlock 'trapped' value through improved capital allocation and portfolio management. The Manager also has the flexibility to invest in private companies exposed to long term structural tailwinds.

The Fund has a limited quarterly withdrawal facility. Withdrawals are limited to the terms detailed in the Information Memorandum and the HMC website. The ability of the Fund to offer quarterly withdrawals is not guaranteed.

## Contact Details

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**How to Apply:** Refer to Information Memorandum at <https://www.hmccapital.com.au/our-funds/hmc-capital-partners-fund-i/>. If you are a Wholesale Client you may apply for Units at: <https://investor.automic.com.au/#/w/hmccp>. Existing investors can login to their Automic online investor portal at <https://investor.automic.com.au/> to access information on their holding, or to apply for additional units.

### IMPORTANT NOTICE

This Update has been prepared and issued by the Trustees of the HMC Capital Partners Fund I. Each Capital Partners Trust has a trustee which is a subsidiary of HMC Capital Limited (ABN 94 138 990 593) and a corporate authorised representative of HMC Capital Funds Management Pty Limited (ACN 154 055 446, AFSL 513 625). Each Trustee has appointed HMC Investment Management Pty Ltd (ACN 644 510 583) as Investment Manager for each Trust. The trustees are HMC Capital Partners No. 1 Pty Ltd (ACN 658 946 117) (in respect of HMC Capital Partners Trust A), HMC Capital Partners No. 2 Pty Ltd (ACN 658 946 288) (in respect of HMC Capital Partners Trust B) and HMC Capital Partners No. 3 Pty Ltd (ACN 658 946 484) (in respect of HMC Capital Partners Trust C). The information contained herein is general information only and does not take into account the objectives, financial situation or particular needs of any person. You should obtain and read a copy of the Information Memorandum relating to the Fund before making a decision to invest. Investment in the Fund is subject to risk including possible delays in payment or loss of income and principal invested.

<sup>5</sup> All performance figures are quoted net of fees and costs. Figures may not sum exactly due to rounding. Inception date 31 August 2022. Performance is shown for informational purposes only. Past performance should not be taken as an indicator of future performance.

<sup>6</sup> Distributions are not guaranteed, and the Fund investment strategy is focused on generating capital gains rather than regular income.