

HMC Capital Partners Fund I – Enhancements to Fund terms

- Following investor feedback, Trustees have determined to retain existing Fund structure and strategy with certain enhancements – unitholder meeting no longer required
- Fund to remain an open-ended structure, with quarterly redemption windows¹
- Performance Fee Hurdle to be increased from 7% to 9%²
- The one-off amended liquidity arrangements retained, allowing up to 30% of Trust A and C to be redeemed at 30 June 2025
- Unless you have questions, there is no need to take any action

These changes do not require unitholder approval and the Unitholder Meeting previously scheduled for 22nd of May 2025 is not proceeding

Dear Investor,

We are writing to inform you about an important development regarding HMC Capital Partners Fund I, in which you have a holding.

Existing Fund strategy and structure to be retained, with enhancements

Following the issuance of the Notice of Meeting in early May 2025, HMC Capital has conducted a consultation process with investors to garner feedback on the proposed changes, most notably the proposal to amend the fund term from open-ended to a closed-end, 5-year term.

Feedback has indicated that:

- investors are supportive of the high conviction strategic stakes strategy, and understand the rationale to focus on a more concentrated portfolio of our highest conviction ideas;
- the HMC Capital Partners strategy is a unique offering, that offers a differentiated approach to delivering private equity style returns through primarily listed investments;
- however in the current market environment, there is a preference for investing in a more liquid strategy rather than in a closed-ended fund with no ability to redeem for between 5 to 7 years.

¹ Capped at 5% of fund units on issue

² From 1 July 2025

As a result of this feedback, a decision has been made to **no longer proceed with the proposal to transition the Fund to a closed end structure** and relaunch the Fund as HMC Capital Partners Fund II. As a result, the trust deed amendments which were proposed to be considered at the Unitholder Meeting scheduled for 22 May 2025 are no longer needed and therefore the **Unitholder Meeting scheduled for 22 May 2025 is no longer proceeding.**

Although the proposal to transition the Fund to a closed-end structure is no longer proceeding, HMC Capital has agreed to proceed with the change to **increase the performance fee hurdle from 7% to 9%** from 1 July 2025. Unitholder approval is not required to increase the performance fee hurdle rate, as this change is to the benefit of unitholders.

As a result of this decision:

- HMC Capital Partners Fund I will continue in its current form, with its current strategy, focused on high conviction stakes in listed equities with optionality to invest up to 25% of the Fund in private unlisted investments;
- The Fund will continue to offer quarterly liquidity, capped at 5% of Fund units on issue;
- The Fund will continue to be open for monthly applications;
- The Bonus Units described in the Notice of Meeting will no longer be issued to continuing investors; and
- The Fund name will not change.

One-off upsized redemption window will remain in place.

Despite key Fund terms now remaining unchanged, HMC Capital recognises that unitholders may have made investment decisions on the basis that the Fund terms would be changing as set out in the Notice of Meeting. As a result, the Trustees have resolved to continue to make available the one-off upsized redemption window as at 30 June 2025. The amended liquidity arrangements outlined in the Notice of Meeting will remain in place and Unitholders in Trust A and Trust C wishing to redeem as at 30 June 2025 are still able to submit their redemption request up to 31 May 2025.

Following 31 May 2025, the regular quarterly redemption cycle will recommence. Any redemption requests received after 31 May 2025 and before 30 June 2025, which are accepted by the Trustees, will be redeemed as at 30 September 2025 (and paid out in early October 2025), subject to a cap of 5% of Fund units on issue and in line with the Fund's quarterly redemption process.

For those investors who are now comfortable to remain in the existing strategy but have already placed a redemption request, it is possible to cancel your redemption. This cancellation must be completed before 31 May 2025. Please cancel your redemption via the investor portal <https://investor.automic.com.au/> or contact Automic at hmc@automic.com.au

Fund performance and positioning

During May, the investment team has continued to manage the portfolio in line with the current mandate and the performance has been strong. In the month to date, the Fund's net asset value has increased more than 7% on the back of positive movements across the portfolio, most notably GrainCorp (+13.2%), Lendlease (+7.0%) and Baby Bunting (+7.0%)³.

What do investors need to do?

Unless you have questions, there is no need to take any action. If you have any questions regarding the go forward strategy, please contact HMC Capital at invest@hmccapital.com.au

We appreciate your understanding and would like to take this opportunity to thank you for your feedback and ongoing support.

Yours Sincerely,



Victoria Hardie
Head of Private Equity
HMC Capital



David Di Pilla
Managing Director and Group CEO
HMC Capital

³ As at close on 20 May 2025