HMC Capital Partners Fund 1

MONTHLY NAV UPDATE – NOVEMBER 2025

Entry price	$1.2646 / unit[2]
Exit price	$1.2570 / unit[2]

Fund Update

The Fund reported a Net Asset Value ("NAV") of **$1.2608/unit**[1] at the end of November 2025, returning -2.9% during the month, in line with the broader market with Lendlease and Ingenia the key detractors.

The Fund has delivered a +26.0% annualised return since inception, outperforming the S&P/ASX 300 Accumulation Index by +15.4% p.a. An initial $1.00 investment would now be worth $2.12[3], reflecting the strength of our highly engaged, active investment approach.

The Fund maintains a sizeable ~$150m cash balance, positioning us to take advantage of market dislocation and volatility as new high-conviction opportunities emerge.

Market and Macro Update

The S&P/ASX 300 Accumulation Index fell -2.6% for the month, largely driven by the release of stronger-than-expected domestic data across CPI, employment and wage growth, consumer sentiment and private sector spending. Collectively, these data points diminished expectations for further rate cuts from the RBA and weighed on rate-sensitive sectors such as Consumer, REITs and Banks. Despite the Australian Indices having fallen ~5% since their late October peak, they remain near record highs trading at ~18x 12-month forward earnings, well above the long-term average of ~15x.

Globally, market conditions remain unpredictable. The November US Employment Summary highlighted a sluggish labour market with the unemployment rate coming in at 4.4% vs expectations at 4.3%. US unemployment is now at the highest level since 2021, building expectations for a further 25bps interest rate cut at the upcoming Fed meeting in December.

Global trade tensions remain mixed with November marking a cooling of US/China trade tensions amid both sides effectively taking steps to ease recent tariffs and trade restrictions over the month, with a focus on critical minerals and agriculture sectors.

With elevated macro and geopolitical uncertainty continuing, equity market valuations continuing to look stretched and liquidity increasingly concentrated in passive strategies, we believe our ability to drive operational value and to take a long-term view leaves us well positioned to take advantage of volatility as compelling investment opportunities present themselves.

Key Investments Updates

Lifestyle Communities

Lifestyle Communities (ASX: LIC + 10.0%) provided an update at their AGM, building on the steady start to FY26 reported in the Q1 trading update released in October. The business has now completed 93 settlements year-to-date and the updated contract position (150 available for settlement) implies ~30 additional potential FY26 settlements versus the October update. Inventory continues to trend lower (202 unsold homes as of Nov-25, down 14 from October) which combined with the completion of its non-core land divestments, has resulted a material improvement in the net debt position ($338.3m, down from $460.5m as of 30-Jun-25).

The update re-affirms the continuing recovery post the unexpected VCAT decision with ongoing progress on settlements, inventory and debt reduction. Our constructive outlook remains unchanged, with the stock trading at a discount to NTA (excluding deferred tax liability) despite progress on reset, an improving Victorian property market and the ongoing VCAT appeal, which remains a key swing factor offering potential upside to earnings and valuation.

Ingenia Communities

Ingenia Communities (ASX: INA -7.7%) affirmed solid FY26 momentum and reiterated guidance for 10-15% EBIT growth and underlying EPS of 32.5-34.0 cents at their AGM. With the Board and management refresh that we have supported during the period of our shareholding delivering, we continue to see a strong outlook supported by demographic tailwinds, operating leverage, and a targeted 5-year settlements CAGR of 10-15%.

GrainCorp

GrainCorp (ASX: GNC -6.0% total return) released their FY25 results during the month. Operationally, the company delivered a strong FY25 result, with record total grain handled (31.6Mt) and significant growth in Animal Nutrition (713kmt vs 517kmt YoY) partially offset by a tough cyclical environment impacting crush margins (-$22m EBITDA impact) and international trading spreads (-$31m EBITDA impact). Despite continued balance sheet strength and the declaration of a 24cps dividend (including a 10cps special dividend), weaker margins resulted in a miss versus consensus expectations resulting in the stock closing down 10.8% on the day of release.

Despite volatility around results, we continue to see strong momentum into FY26 supported by the December 2025 ABARES crop forecast update (released post month-end) reinforcing confidence in crop volumes. Forecasts now point to a ~31 million tonne ECA winter crop (up from ~30m in September) with national winter crop expected to be the second largest on record (66.3Mt 2025-26) and ~35% above the 10-year average. We view this as a key earnings catalyst that underpins stronger momentum into FY26, particularly as GrainCorp no longer needs to pay out under its Crop Production Contract. Although we have reduced our investment in GrainCorp, we continue to believe there is significant inherent value in its strategic port infrastructure assets – as evidenced by the recent proposal by Macquarie Asset Management to acquire Qube Holdings Limited.

Lendlease

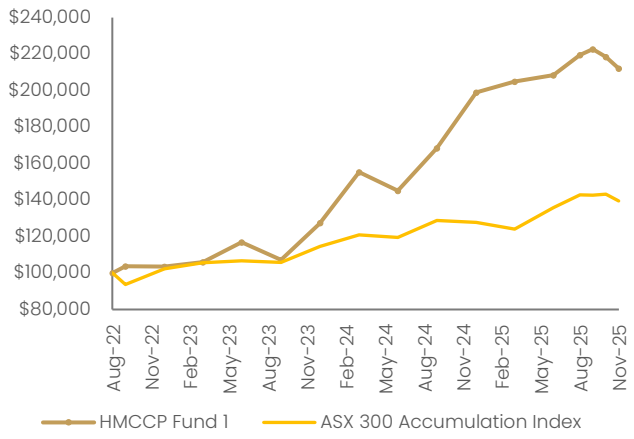
Lendlease (ASX: LLC -5.8%) reinforced progress on its simplification plan at the AGM during the month. We have encouraged management to pursue this simplification strategy during our time as shareholders and as such, it was pleasing to see commercial terms are now agreed for ~$1bn of asset sales (TRX Malaysia and Retirement Living Australia) with final stage due diligence and documentation being finalised. This is in addition to the $2.5bn of capital recycling initiatives previously announced or completed. Proceeds from these transactions in addition to ~$300m of proceeds upon completion of The Crown Estate Joint Venture are expected to support commencement of buyback of up to $500m in 2H FY26.

We remain of the view that Lendlease is positioned for a re-rate, driven by:

- Further capital recycling enabling the $500m buyback (~14% of market cap);
- Replenishment of the Australian development pipeline ($25bn of opportunities identified for the next 12 months, $10bn targeted to convert);
- Growth in new investment mandates, with ~$4bn of new FUM already underway through its international platform, alongside the UK Crown Estate JV providing optionality over a further ~$24bn pipeline across build-to-rent, life sciences and sustainable office; and
- The stock continues to trade at a material discount to NTA (~21%), with little recognition of the strength in its core Investments, Development and Construction businesses.

[1] As at month end. NAV per unit refers to Trust A and Trust C units.
[2] Entry and Exit prices reflect the Net Unit Value as at 30 November 2025, adjusted by the buy-sell spread (currently 0.30%)
[3] Performance net of fees and costs, and assuming distributions are reinvested. Inception date 31 August 2022. Past performance should not be taken as an indicator of future performance

Growth in $100,000 invested since inception[4]



Fund Performance (Net)[6]

	Net Return	S&P/ASX Acc. Index	Excess
1mth	(2.9%)	(2.6%)	(0.3%)
3mth	(3.3%)	(2.9%)	(0.5%)
6mth	(0.6%)	4.1%	(4.7%)
1yr	(2.6%)	5.8%	(8.4%)
2yr (annualised)	43.3%	13.6%	29.8%
3yr (annualised)	26.3%	10.9%	15.4%
Inception (annualised)	26.0%	10.6%	15.4%
Inception (aggregate)	112.1%	38.8%	73.4%

Contact Details

Website: www.hmccapital.com.au
Email: invest@hmccapital.com.au
Phone: 1300 466 326
How to Apply: The Fund remains open for applications on a monthly basis.
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.

[4] Performance net of fees and costs, and assuming distributions are reinvested. Inception date 31 August 2022. Past performance should not be taken as an indicator of future performance

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[5].

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.

Our Disciplined Investment Process

The rigorous investment process we have undertaken over the past three years has proven effective – as evidenced by our successful investments and positive turnarounds at Sigma Healthcare, Ingenia Communities and Baby Bunting. We continue to see uncertainty and volatility as an opportunity.

Fund's consistent and repeatable investment screening process

1 NTA BACKING	2 BARRIERS TO ENTRY	3 GROWTH	4 EARNINGS QUALITY	5 EXECUTABILITY
▪ Real assets providing downside protection?	▪ Economic moat or unique selling proposition?	▪ Structural growth tailwinds?	▪ Pricing power or contracted revenue?	▪ Can we influence the outcome?

Our disciplined and repeatable screening process positions us to continue to identify attractive targets and capitalise on undervalued situations – whether they are caused by management discount, conglomerate discount, cyclical factors or poor capital allocation.

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.

[5] Distributions are not guaranteed, and the Fund investment strategy is focused on generating capital gains rather than regular income.

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