

HMC Capital Partners Fund I – Intention to Return Capital to Trust A and C Unitholders

Dear Investor,

HMC Investment Management Pty Ltd (the **Manager** of HMC Capital Partners Fund I) is writing to inform you of an important decision in relation to the HMC Capital Partners Fund I (the **Fund**). Following a thorough review of the Fund's strategy, and with the best interests of unitholders in mind, the Trustees of Trust A and Trust C, being the trusts through which non-HMC investors have invested in the Fund, have resolved to return capital to their unitholders.

The Fund holds a deliberately concentrated portfolio of high-conviction investments, having invested where we identified the most compelling long-term risk-adjusted return opportunities and the ability to add value through our unique active approach. As at 30 April 2026, the Fund has generated an IRR of 17.5% for unitholders who invested at inception¹, with over 80% of their original investment being returned via the distribution paid in April 2025.

Victoria Hardie, HMC Capital Head of Private Equity and Group COO said: "Since inception, the Fund has successfully catalysed transformational change at Sigma Healthcare, and supported strategic turnarounds at Baby Bunting and Ingenia Communities. While our proactive investment strategy is effective, we believe a traditional fund structure is no longer the optimal vehicle through which to execute it and believe returning capital is in unitholders' interests at this time. Importantly, this decision reflects discipline, not diminished conviction – we remain highly confident in the intrinsic value of the remaining portfolio companies."

The key reasons for the decision to return capital to unitholders include:

1. The Fund's increasingly and deliberately concentrated portfolio may not be aligned with the risk appetite of many wholesale investors; and
2. Compelling investment opportunities are episodic and should be undertaken only when supported by a compelling investment thesis, not simply to maintain deployment within a fixed fund structure when suitable opportunities are not available.

Proposed capital return

The Fund currently holds three high conviction holdings in Lendlease (ASX:LLC), Ingenia Communities (ASX:INA) and Baby Bunting (ASX:BBN) and a cash balance of approximately \$100m. The Trustees of Trust A and Trust C have concluded that it is in the best interests of their unitholders to choose whether to receive:

- A. Cash and in-specie distribution of the shares in Lendlease, Ingenia Communities and Baby Bunting (the **Underlying Shares**); or

¹ Inception date 31 August 2022. IRR calculated based on NAV of Trust A as at 30 April 2026, and including the \$0.805/unit distribution paid in April 2025. IRR is net of fees but prior to the impact of any tax.

- B. All cash (with the unitholder's pro-rata share of the Underlying Shares sold on-market and the unitholder receiving the proceeds, net of brokerage costs).

The Manager believes there is significant value upside potential in each of the Underlying Shares and considers the current point in the cycle to be sub-optimal for a full exit of these positions. The in-specie distribution of Underlying Shares (via Option A) will allow unitholders to continue the exposure that they have currently indirectly via the Fund, but held directly and without paying management fees or performance fees going forward. Those unitholders can then make their own decision whether to continue to hold those shares and be exposed to future upside or downside in the Underlying Shares share prices, or sell them on-market and receive cash proceeds.

For further perspectives on each of the Fund's investments, please refer to the Fund's April 2026 monthly report which will be released shortly.

Following completion of the capital return, Trust A and C will no longer hold any assets and are expected to be terminated, resulting in unitholders ceasing to hold any units in Trust A or C.

HMC Capital alignment with unitholders

HMC Capital (HMC) is a significant investor in the Fund, holding more than 50% of the Fund via its holding in Trust B. Following completion of the capital return to Trust A and C unitholders, HMC will continue to have an exposure to each of the portfolio companies via its pro-rata share of the Underlying Shares until those shares are sold. HMC intends to continue to seek to maximise value in these holdings over time, in line with the Fund's existing strategy.

Effective 1 May 2026, the Manager of the Fund will no longer charge Management Fees or Performance Fees (as defined in the Fund Information Memorandum) until the capital return has been completed.

Applications and Redemptions

As a result of this decision, the Fund is no longer accepting any new application or redemption requests. Unitholders with pending redemption requests have the option to proceed with their redemption or cancel their redemption request and participate in the capital return (and have the opportunity to receive Underlying Shares) instead.

Next steps

Further detail regarding the various election options, including the pros and cons of each option, will be set out in further unitholder communications to be dispatched in the coming weeks. This will include an election form that unitholders will need to complete.

What do unitholders need to do now?

Unless you have questions, there is no need to contact us or take any action. Further communications setting out key dates, election timelines and expected timing of the capital return will be provided in due course. We anticipate completing the capital return on or before 30 June 2026.

If you wish to discuss the proposed capital return or have any questions, please reach out to invest@hmccapital.com.au

Thank you for your support of the Fund.

Yours Sincerely,



Victoria Hardie
Head of Private Equity & Group COO
HMC Capital



David Di Pilla
Managing Director & Group CEO
HMC Capital