

Fund Update

The Fund reported another record Net Asset Value (NAV) of **\$2.0437/unit** at the end of November, up 16.7% during the month. The Fund continues to perform strongly, delivering a 53.4% annualised return since inception, outperforming the S&P/ASX 300 Accumulation Index by 40.3% p.a.

Sigma Healthcare was the major contributor to the performance during the month, up 47% following the ACCC decision to approve the proposed merger with Chemist Warehouse on 7 November 2024.

Equity markets continued their strong run in November, with the S&P/ASX300 Accumulation Index closing up 3.7% for the month after reaching record highs in the final week of November. Global markets responded positively to the US election result, with US equities significantly outperforming on expectations of deregulation and tax cuts.

While Australian headline CPI for October came in slightly below consensus, some underlying measures ticked higher, and the RBA continues to forecast a return to target range by mid-to-late 2025. The Fund remains well-positioned to benefit from any easing in monetary policy over the next year.

Entry price	\$2.0498 / unit ¹
Exit price	\$2.0376 / unit ¹

Key Investment Updates

- Sigma was the best performing stock in the ASX 200 for November following the ACCC's announcement that it would not oppose the proposed merger with Chemist Warehouse Group. The Underlying Fund continues to hold a substantial ~7% shareholding in Sigma, electing to trim our position slightly following the share price rally in November to further rebalance the portfolio.
- GrainCorp traded down -13% during the month, following the release of its FY24 result mid-month. While the FY24 result was in line with guidance and consensus expectations, and a 10c special dividend was declared, commentary around the FY25 outlook was more cautious than expected. Although winter harvest volumes are looking positive, with ABARES upgrading the outlook for Queensland and New South Wales crop volumes in early December, strong global crop production is resulting in competitive margin pressure for Australian exports. The Underlying Fund continues to see further upside in GrainCorp, with the business undertaking a transformation program that is targeting \$20 – 30m uplift to through-the-cycle EBITDA, actively pursuing growth in non-grain port earnings to increase margin and infrastructure utilisation, and continuing to explore the establishment of a low carbon liquid fuel supply chain.
- Lendlease, Ingenia Communities and Lifestyle Communities all held their AGM's during the month, providing trading updates and outlook for the remainder of FY25:
 - Lendlease FY25 guidance was unchanged, flagging a buy-back of up to \$500 million in the near-term, subject to having sufficient confidence in reaching target gearing by the end of FY26. Capital recycling transactions are continuing to progress and we continue to have conviction in the refreshed strategy, which is aligned with the recommendations we outlined in our white paper in August 2023;
 - Ingenia FY25 guidance was unchanged, targeting EBIT growth of 10 – 15% on FY24 and noting continued demand across Queensland and New South Wales for its land lease homes, with settlements to the end of October 66% higher than the same period last year. Refer to our recent [article on Livewire](#) for further detail on our views on the outlook for Ingenia;
 - Lifestyle Communities, the newest addition to our portfolio, has not provided guidance for FY25 reflecting the uncertainty and weakness in the Victorian property market. Whilst near term challenges remain, we remain constructive on the land lease community sector as a compelling investment opportunity and elected to add to our position during the month.

¹ Entry and Exit prices reflect the Net Unit Value as at 30 November 2024, adjusted by the buy-sell spread (currently 0.30%)

We are pleased with the returns delivered to date and anticipate continued strong performance of our investee companies as the outcomes of our active engagement strategy continue to play out³. The Fund currently remains open for investment – existing investors can top-up via the Automic platform or please contact invest@hmccapital.com.au for further information.

Fund NAV per Unit²

\$	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	n/a	n/a	n/a	n/a	n/a
2023	n/a	n/a	\$1.0000	\$1.0129	\$1.0069	\$1.1006	\$1.1243	\$1.0927	\$1.0065	\$0.8883	\$0.9689	\$1.1963
2024	\$1.2730	\$1.3296	\$1.4558	\$1.4060	\$1.3739	\$1.3623	\$1.4555	\$1.4709	\$1.5800	\$1.7505	\$2.0437	

Monthly Fund Returns (Net)³

%	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	n/a	n/a	n/a	n/a	n/a
2023	n/a	n/a	-	1.3%	(0.6%)	9.3%	2.2%	(2.8%)	(7.9%)	(11.7%)	9.1%	23.5%	19.6%
2024	6.4%	4.5%	9.5%	(3.4%)	(2.3%)	(0.8%)	6.8%	1.1%	7.4%	10.8%	16.7%		70.8%

Fund Performance (Net)³

%	1mth	3mth	6mth	1yr	2yr	Inception (annualised)	Inception (aggregate)
Net Return (%)	16.7%	38.9%	48.8%	110.9%	n.a.	53.4%	104.4%

Fund Strategy

HMC Capital Partners Retail Fund 1 (**Fund**) (formerly called the HMC Capital High Conviction Alternatives Fund) is an Australian-domiciled open-ended unlisted fund providing exposure to a high-conviction investment strategy seeking to generate superior risk-adjusted returns via an investment in HMC Capital Partners Fund 1 (the **Underlying Fund**)⁴.

The Underlying Fund 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 Underlying Fund 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 PDS and the HMC Capital website. The ability of the Fund to offer quarterly withdrawals is not guaranteed.

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How to Apply: Refer to the Financial Services Guide (FSG), Product Disclosure Statement (PDS) and Target Market Determination at <https://www.hmccapital.com.au/investment-strategies/private-equity/hmc-capital-partners-retail-fund-i/>

² As at month end.

³ All performance figures are quoted net of fees and costs. Figures may not sum exactly due to rounding. Inception date 27 March 2023. Performance is shown for informational purposes only. Past performance should not be taken as an indicator of future performance.

⁴ Distributions are not guaranteed, and the Fund investment strategy is focused on generating capital gains rather than regular income.

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