

04 July 2022

ASX RELEASE

HMC CAPITAL LAUNCHES HMC CAPITAL PARTNERS FUND I

Home Consortium Limited's (**HMC Capital**) (ASX: HMC) wholly owned subsidiary HMC Investment Management Limited (**Manager**) has launched HMC Capital Partners Fund I (the **Fund**), an Australian-domiciled unlisted wholesale fund providing exposure to a high-conviction investment strategy seeking to generate superior risk-adjusted returns.

HMC Capital CEO and Managing Director, David Di Pilla, said *"The establishment of HMC Capital Partners Fund I is another important milestone in our mission to become Australia's leading diversified alternative asset manager. This Fund will leverage our proven investment track record and ability to originate and execute large complex transactions to generate attractive risk-adjusted returns for our investors.*

Our prediction that 2022 would present a challenging investment environment has been realised in recent months. Economies and markets are moving into a new phase which is highly uncertain. While a natural instinct in this environment is to allocate to cash or do nothing, we believe that attractive opportunities are now emerging and that a portfolio allocation to the Fund will allow investors to benefit from exposure to these opportunities."

Fund Overview

The Fund will target public and private companies in Australia and New Zealand with real asset backing where there is potential to unlock 'trapped' value through improved capital allocation and portfolio management.

The Fund will target returns of 15%+ per annum with a medium-term distribution yield of 2% to 4% per annum¹. The Fund will also provide liquidity on a quarterly basis subject to the qualifications set out in the Information Memorandum in respect of the Fund (**Information Memorandum**).

The Fund will be managed by the same team which led the real estate acquisition of Masters from Woolworths Limited in 2017 and who founded HMC Capital, complemented by additional dedicated and high calibre investment professionals.

HMC Capital recently lodged a substantial holding notice in Sigma Healthcare (ASX: SIG) and currently holds a 13.5% relevant and economic interest. As disclosed in the notice, the interest in SIG is being acquired as a seed asset for the Fund.

The Fund is targeting a \$500 million First Close (as defined below) and HMC Capital will commit \$150 million to the Fund via one or more Fund vehicles².

¹ Target returns and distribution yield are net of base management fees and costs but before tax (if applicable) and performance fees. This is only a target and may not be achieved.
² HMC Capital's commitment will be paid down to the Fund as capital is raised, subject to HMC Capital's interest not exceeding 30% of units in the Fund (Units) and may be made by way of an in-specie contribution of assets. This commitment is subject to the qualifications set out in the Information Memorandum.

Early Commitment Incentive Program

Eligible investors who make a commitment to the Fund on or before first close (being 31 July 2022 or such other date determined by the Manager) (**First Close**) will be:

- rebated the management fees paid in respect of Units issued to them at First Close for the period to the end of the sixth month following First Close; and
- eligible to subscribe for 1 option in HMC Capital for each 50 Units they are allocated at First Close³, (which offer of options will be made under a separate prospectus to be issued by HMC Capital) subject to compliance with relevant law. No additional consideration is payable to acquire these options, subject to the conditions outlined in the Information Memorandum.

The Fund (and any offer of options) is only available to investors who are wholesale clients (as defined in the Corporations Act 2001 (Cth)) via a broker offer and a general offer.

For further information on the Fund and how to invest, please refer to the Fund Summary attached to this release or contact us at invest@hmccapital.com.au.

Authorised for release by the Board.

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About HMC Capital

HMC Capital is an ASX-listed diversified alternative asset manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions, and super funds. HMC Capital is the manager of HomeCo Daily Needs REIT (ASX: HDN) and HealthCo Healthcare and Wellness REIT (ASX: HCW) with external AUM of \$5.2 billion as at 31 December 2021.

In July 2022, HMC launched HMC Capital Partners Fund I, an open-ended unlisted fund providing exposure to a high-conviction investment strategy seeking to generate superior risk-adjusted returns. HMC Capital Partners Fund I will target public and private companies in Australia and New Zealand with real asset backing where there is potential to unlock 'trapped' value through improved capital allocation and portfolio management.

³ The issue of options to any person covered by ASX listing rule 10.11 is subject to approval by HMC Capital shareholders at HMC's next AGM which is expected to be held in November 2022. Where approval is not granted, it is intended that such persons will be granted a fee rebate equal to the value of the options that would have been issued.

Disclaimer and Important Information

*This announcement (**Announcement**) has been prepared by Home Consortium Limited (ACN 138 990 593) (trading as **HMC Capital**).*

*The investment manager of HMC Capital Partners Fund 1 (the **Fund**) (which comprises of unregistered managed investment schemes is HMC Investment Management Limited (ACN 644 510 583) (the **Manager**), a wholly owned subsidiary of HMC Capital. The Manager is a corporate authorised representative (representative number 001296842) of HMC Capital Funds Management Pty Ltd (AFSL 513 625). Interests in the Fund are only available to investors who are wholesale clients as defined in the Act. An offer of interests in the Fund is only made under the Information Memorandum pursuant to an offer made by the Manager.*

Summary information

The information in this Announcement is of a general nature and does not purport to be complete. This Announcement does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document (such as a prospectus) prepared in accordance with the requirements of the Corporations Act. This Announcement is subject to change without notice and HMC Capital may in its absolute discretion, but without being under any obligation to do so, update or supplement the information in this Announcement.

To the maximum extent permitted by law, HMC Capital and its subsidiaries, and their respective affiliates, related bodies corporates, officers, employees, partners, agents and advisers make no representation or warranty (express or implied) as to the currency, accuracy, reliability, reasonableness or completeness of the information in this Announcement and disclaim all responsibility and liability for the information (including without limitation, liability for negligence).

Not an offer, financial advice or recommendation

This Announcement is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law (including the Act) or any other law (and will not be lodged with the ASIC). This Announcement is not and should not be considered an offer or an invitation or solicitation to subscribe for or acquire securities or any other financial products, including in the United States. This Announcement does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to subscribe for or acquire financial products or securities and does not and will not form any part of any contract for the subscription or acquisition of financial products or securities.

About the Fund

HMC Capital Partners Fund I (**Fund**), is an Australian-domiciled unlisted fund providing exposure to a high-conviction investment strategy seeking to generate superior risk-adjusted returns.

The Fund will target public and private companies with real asset backing where there is potential to unlock 'trapped' value through improved capital allocation and portfolio management.

The Fund is managed by the same team which led the real estate acquisition of Masters from Woolworths Limited in 2017 and who founded HMC Capital, complemented by additional dedicated and high calibre investment professionals.

The offer of interests in the Fund is only available to investors who are wholesale clients (as defined in the Corporations Act 2001 (Cth)).

Investment Strategy

To provide exposure to a portfolio of alternative assets targeting medium to long-term capital growth and income by primarily investing, directly or indirectly across two primary strategies:

1. High-Conviction Strategic Stakes

Listed Australian and New Zealand entities with the opportunity to take a medium to long term strategic stake and influence change.

Research-led approach to identify undervalued 'asset rich' businesses trading below fundamental value due to:

- I. Conglomerate discount
- II. Cyclical factors
- III. Suboptimal capital allocation / strategic execution

The team will look to assist investee boards and management teams unlock 'trapped' value through improved capital allocation & operational performance.

2. Private Equity

Full or partial stakes in portfolio companies that require:

- I. Capital to accelerate growth
- II. Access to HMC Capital's Advisory Panel and broader network

Focused on high quality and scalable businesses with:

- ✓ Barriers to entry
- ✓ Recurring earnings
- ✓ Compelling re-investment opportunities
- ✓ Exposure to favourable megatrends

The Manager may access opportunities across listed and private companies through equity, credit or hybrid instruments.

Overview of the Manager

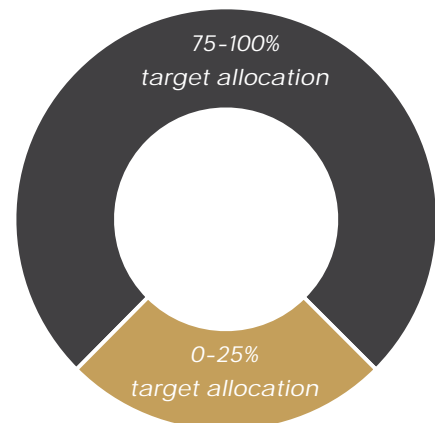
The Manager is a wholly-owned subsidiary of Home Consortium Limited (ASX: HMC, trading as HMC Capital), an ASX-listed Fund manager which invests in high-conviction and scalable real asset strategies.

HMC Capital was listed on the ASX in Oct-19 and is the manager of the ASX-listed HomeCo Daily Needs REIT (ASX: HDN) and HealthCo Healthcare & Wellness REIT (ASX: HCW).

Across these two vehicles, HMC Capital has externally managed assets of \$5.6bn¹. Since listing, HMC Capital has achieved total shareholder return for investors of -100% representing -99% outperformance vs the S&P ASX 300 Accumulation Index.²

Target Asset Allocation (%)

1 High conviction strategic stakes



2 Private Equity

How does the Fund fit into a well-balanced portfolio?

The Fund can be used as an allocation to alternative assets to enhance the risk-return profile of investment portfolios.

Contact Details

Website: www.hmccapital.com.au

Email: invest@hmccapital.com.au

Phone: 1300 466 326

Fund Features³

Feature	Detail
First Close	31 July 2022 or such other date determined by the Manager.
Target Fund Size	\$500 million - \$1.5 billion. The Fund may proceed on a smaller or larger amount.
Target Return⁴	15%+ net IRR per annum measured over a 3 to 5 year holding period.
Target Distribution Yield⁴	2 to 4% per annum (post the second anniversary of First Close).
Manager Participation	HMC Capital will, as at First Close, commit \$150 million to the Fund. ⁵
Available to:	Investors who meet the definition of a wholesale investor and who have a minimum investment amount of \$50,000
Fees	Management fee: 1.0% p.a. of NAV Performance fee: 20% performance fee above 7% p.a. hurdle rate subject to a high-water mark.
Applications	Monthly applications with instructions to be sent through 10 business days prior to the 1 st of each calendar month (unless otherwise determined by the Manager).
Redemptions	Quarterly on the last business day of Mar, Jun, Sept, and Dec with 90 days' prior notice. Redemptions will be subject to a limit of 5% of the fund units outstanding at the end of each quarter. Redemptions prior to the second anniversary of First Close may be subject to a discount of up to 5% of Net Unit Value at the discretion of the Manager.
Early Commitment Incentive	Investors who make a commitment to the Fund on or before First Close will receive: <ul style="list-style-type: none"> ✓ 6-month Management Fee holiday; and ✓ 1 option in HMC Capital for each 50 units they are allocated

How to invest

If you are a **Wholesale Client** and are **not an existing client of any of the brokers to the offer**, you may apply via the general offer link: <https://investor.automic.com.au/#/w/hmccp>

Participating Brokers



Risks to Investment

Investment into the Fund should be considered as high risk and there is no assurance that it will achieve its investment objective or that any investor of the Fund will get their money back. Refer to the 'Fund's Information Memorandum for the full range of risks before deciding whether to acquire or hold units in the Fund.

Disclaimer

This letter does not constitute, and may not be used for the purposes of, an offer of securities or interests of any kind to any person or an invitation to any person to apply for the issue of securities or interests of any kind – an offer of interests in the Fund is only made under the Information Memorandum pursuant to an offer to be made by the Manager, HMC Investment Management Pty Ltd (ACN 644 510 583), a corporate authorised representative (representative number 001296842) of HMC Capital Funds Management Pty Ltd (AFSL 513 625). This letter is for general information only and not intended to, and does not constitute tax, financial, legal or personal financial product advice. Recipients should consider obtaining their own independent financial, tax, legal and investment advice having regard to their own particular circumstances before making any financial or investment decisions. This letter does not, and does not purport to, take into consideration the investment objectives, financial situation or particular needs of any person. Except for any statutory liability which cannot be excluded, HMC Capital, the Manager and their respective affiliates, related bodies corporate, directors, officers, employees, agents and advisers expressly disclaim all liability for any direct or indirect loss or damage which may be suffered by any person in relation to, and take no responsibility for, any information in this letter or any error, misstatement or omission from it.
The terms above are not to be relied upon. Refer to the Information Memorandum for the terms of the Fund. Capitalised terms used but not defined have the meaning provided in the Information Memorandum.

¹ As at 31 May 2022.

² Returns as at 31 May 2022. HMC IPO share price of \$3.35 adjusted by \$0.67/security to exclude HDN in specie distribution. Assumes dividends reinvested on ex-dividend date. Past performance is not a reliable indicator of future performance. These returns are unrealised and unaudited.

³ Subject to terms and conditions specified in the HMC Capital Partners Fund I Information Memorandum and related documents.

⁴ Target Return and Target Distribution Yield are net of base management fees and costs but before tax and performance fees. This is only a target and may not be achieved.

⁵ HMC Capital's commitment will be paid down to the Fund as capital is raised, subject to HMC Capital's interest not exceeding 30% of Units in the Fund. Such commitment may be made by way of in specie contribution of assets. Following the Lock Up Period (refer to the Information Memorandum), HMC Capital will, for so long as it is the Manager of the Fund, continue to hold at least 5% of Units in the Fund, subject to a maximum value of \$150 million.