



3 May 2022

ASX RELEASE

PRESENTATION - MACQUARIE AUSTRALIA CONFERENCE 2022

HMC Capital (ASX: HMC) provides the attached presentation which will be delivered to the Macquarie Australia Conference 2022 today.

Authorised for release by the Board.

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About HMC Capital

HMC Capital is an ASX-listed fund 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

Macquarie Conference Presentation

Establishing scalable platforms for sustainable long-term growth

03 May 2022

ACKNOWLEDGEMENT OF COUNTRY



HMC Capital acknowledges the Traditional Custodians of country throughout Australia and celebrates their diverse culture and connections to land, sea and community. We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples

Funds Management Strategy & Outlook

Well positioned to **maintain strong growth trajectory** and achieve AUM of \$10bn well ahead of 2024 target

Vision

- *Our ambition is to be Australia's leading **diversified alternative asset manager***

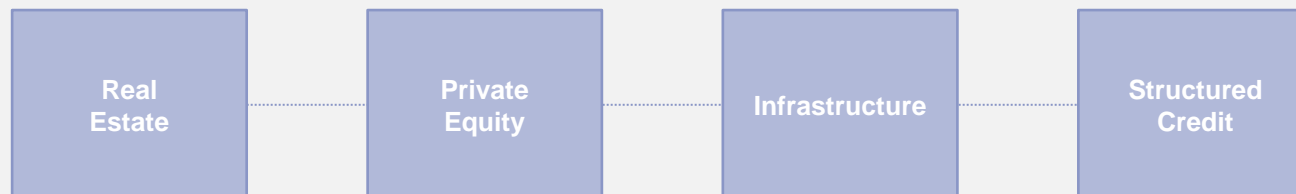
Competitive advantages

- Ability to originate and execute **complex, large-scale transactions** supported by an **elite in-house team**
- Track record of successful turnarounds and business transformations
 - e.g. *successful repositioning of Masters and establishment of HMC's funds management platform*
- Strong balance sheet and relationships with retail and institutional capital partners

Investment approach

- High conviction, thematic based investment approach targeting assets exposed to long-term secular growth trends
- Bottom-up model portfolio construction and risk framework provides strong capital protection
- Adding value through active and decisive leadership

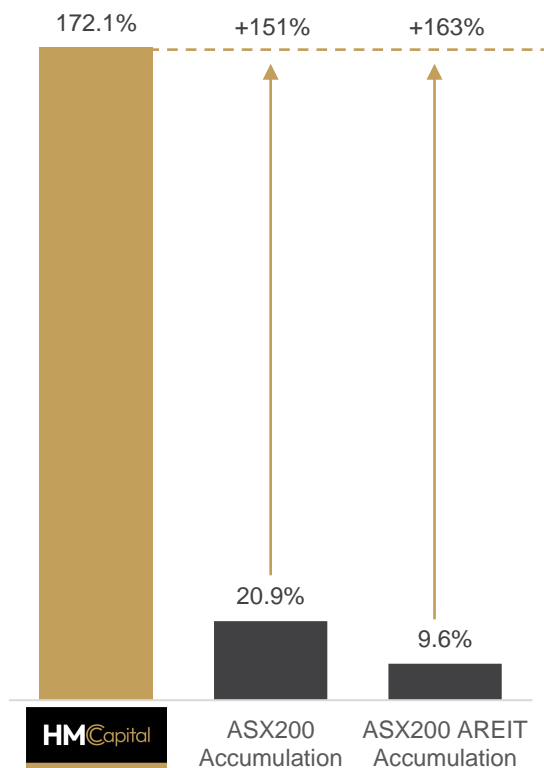
Target sectors



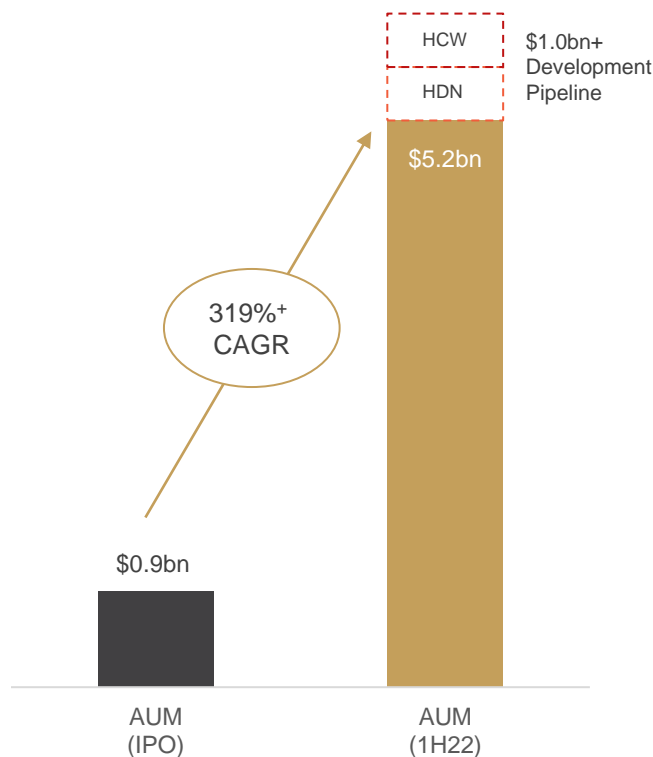
HMC Capital Track Record

HMC has delivered outsized returns and growth since listing

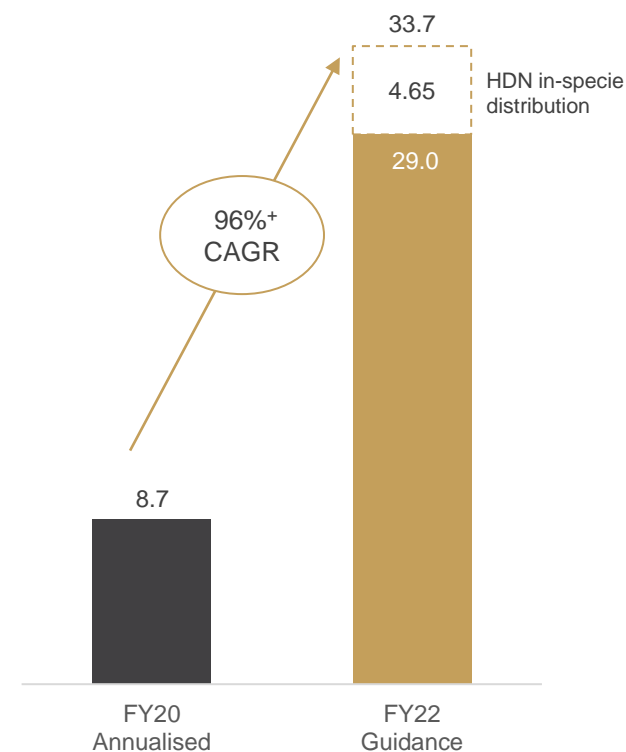
Total shareholder return since IPO¹



Assets Under Management








Earnings per share growth²



HMC Capital has delivered outsized returns through the successful execution of our capital light strategy

HMC Capital Track Record

HMC has successfully evolved into a capital light fund manager with scalable growth platforms

2016	2017 - 2019	OCT 19	JUL 20	NOV 20	DEC 20
<p>Acquisition of former Masters Home Improvement property portfolio</p> <p>Commenced process of redeveloping ~[500k]m² of GLA</p>	<p>HMC establishes in-house asset management and development capability organically</p>	<p>Home Consortium (ASX: HMC) listed on the ASX at \$3.35 with \$925m investment portfolio</p> 	<p>HMC announces \$140m institutional placement and \$128m of acquisitions to seed the establishment of the HomeCo Daily Needs REIT (ASX: HDN)</p>	<p>HDN listed on the ASX via in-specie distribution and \$300m IPO</p> <p>HDN listed with \$844m of assets</p> 	<p>HMC announces \$125m institutional placement and \$131m of strategic acquisitions to seed establishment of new Healthcare REIT (ASX: HCW)</p>
MAR 21	SEP 21	OCT 21	MAR 22	APR 22	1HCY22
<p>HMC added to S&P/ASX 300 index</p>	<p>HCW listed on the ASX following \$650m IPO with \$555m of assets</p> <p>HDN acquires \$222m of acquisitions and \$88m institutional placement</p> 	<p>HMC and HDN announce proposed acquisition of Aventus Group for \$2.5bn to create Australia's leading Daily Needs REIT</p> 	<p>HDN merger implemented increasing HMC's AUM by 280% to \$5.2bn</p> <p>HMC added to S&P/ASX 200 index</p> <p>HMC announces rebranding and change of name to HMC Capital</p>	<p>HDN added to S&P/ASX 200 index</p>	<p>On-track to launch HMC Capital Partners Fund 1 targeting high conviction investment opportunities across real assets</p> 

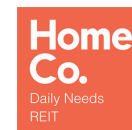
Transformational Six Month Period

HMC successfully executed 2 strategic transactions which have the potential to create significant long-term shareholder value



HealthCo Healthcare & Wellness REIT IPO

- ✓ IPO completed in September 2021
 - Upsized raising to \$650m vs \$500m initial target
 - Listed with net cash position and strong liquidity to fund significant development pipeline
- ✓ Australia's leading ASX-listed diversified healthcare REIT
 - Only listed REIT exposure with institutional grade healthcare real estate
- ✓ Highly scalable investment opportunity for HMC
 - Large investable universe of \$218bn and \$87bn+ of required investment over the next 20 years¹
- ✓ \$500m+ accretive development pipeline



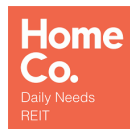
Acquisition of Aventus Group

- ✓ Transformative \$2.5bn² acquisition of AVN to create Australia's leading daily needs REIT with a strategic last mile logistics network
 - Increases HDN's portfolio value to \$4.4bn
 - Highly accretive transaction and reduces gearing
 - Investment grade credit rating already secured
- ✓ Strong demonstration of manager alignment through payment for management rights & proposed management fee reduction
- ✓ Investment grade credit rating of 'Baa2 stable' from Moody's
- ✓ \$500m+ accretive development pipeline with a 7%+ target ROIC
- ✓ S&P/ASX200 Index inclusion in April 22

HMC's core competitive advantage is its ability to originate and execute large-scale & transformational investment opportunities

Funds Management Update

Acquisition of Aventus Group

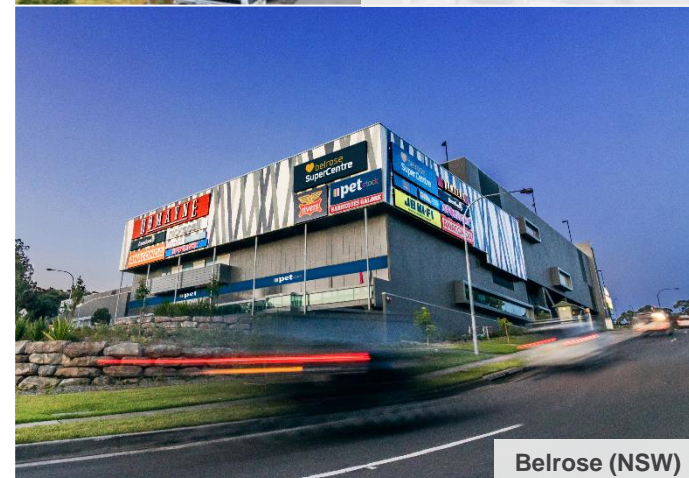


Acquisition of Aventus Group

- ✓ Merger integration is largely complete across key operational, financial reporting, IT, legal and administration work streams
- ✓ Expected cost synergies have exceeded initial expectations with HMC now on-track to generate an incremental funds management margin of over 60%
- ✓ HDN today announced a succession plan following the pending retirement of Darren Holland with Sid Sharma to commence as HDN CEO from 1 July 2022
- ✓ Portfolio performing strongly with approximately 99% cash rent collection continuing in 2H FY22 (to date) and positive leasing spreads on both new deals and renewals
- ✓ Investment grade credit rating of 'Baa2 stable' from Moody's with a focus on leveraging the group's increased scale to diversify debt sources and increase debt tenor and fixed debt
- ✓ Hedging position increased to ~60% with a weighted average hedge tenor of ~4 years
- ✓ Significant progress being made to unlock and fast-track HDN's accretive development pipeline to capitalize on strong tenant demand and low site coverage
 - Identified pipeline now in excess of \$500m with intention to grow annual development capital expenditure over the medium term



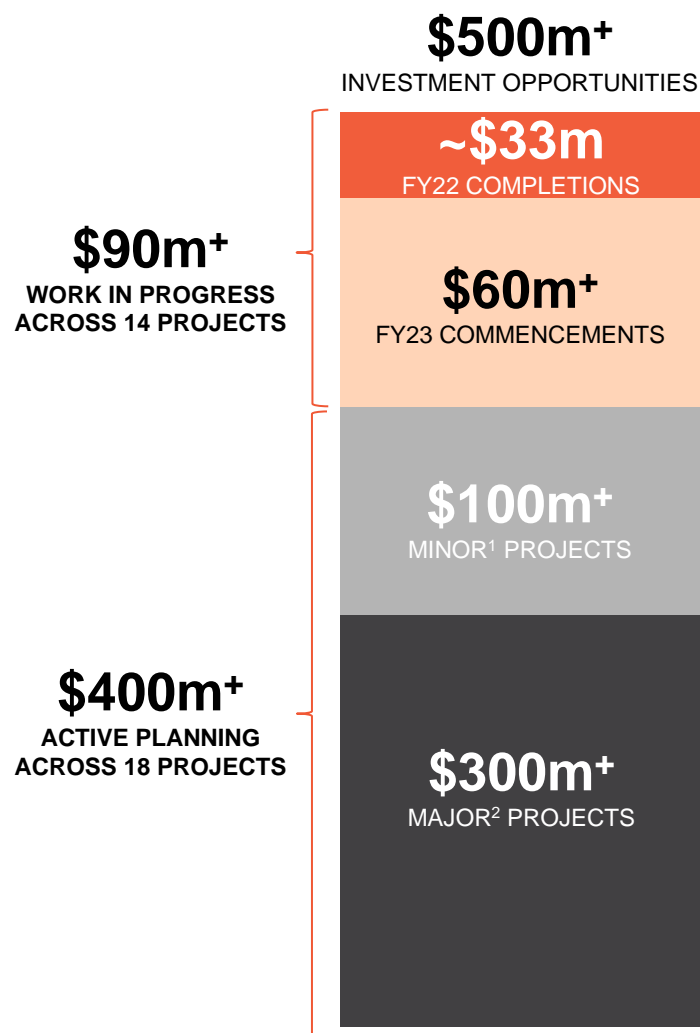
Gregory Hills Town (NSW)



Belrose (NSW)

HDN Development Pipeline Overview

Significant development opportunities with latent embedded value identified



① MINOR DEVELOPMENT PROJECTS		
Brownfield and remix opportunities		
Belrose	NSW	Health & Services
Caringbah	NSW	Health & Services
Castle Hill	NSW	Daily Needs Expansion
Lismore	NSW	Health & Services
Marsden Park	NSW	Daily Needs Expansion
Marsden	QLD	Health & Services
Glenmore Park	NSW	Health & Services
Upper Coomera	QLD	Health & Services
Toowoomba South	QLD	Health & Services

② MAJOR DEVELOPMENT PROJECTS		
Town centre expansions and mixed use opportunities		
Epping	VIC	Town Centre
Jindalee	QLD	Town Centre
Kotara	NSW	Town Centre
Mackay	QLD	Daily Needs Expansion
Marsden	QLD	Mixed Use
Richlands	QLD	Town Centre
Tuggerah	NSW	Daily Needs Expansion
Victoria Point	QLD	Daily Needs Expansion
Vincentia	NSW	Daily Needs Expansion

\$500m+ value accretive developments identified across the combined portfolio to support strategy to deliver at least \$60m of annual development capex³ at a 7%+ ROIC⁴

Notes: 1. Brownfield and remix projects with an investment <\$15m 2. Town centre expansions and mixed-use opportunities with an investment >\$15m 3. From FY23 onwards. 3. Return on invested capital (ROIC) represents cash yield on cost once development is fully stabilised. Estimated ROIC is based on assumptions relating to future income, valuation, capex and calculated on a fully stabilised basis.

Funds Management Update

Establishment of HMC Capital Partners Fund I



HMC Capital Partners Fund I

- ✓ HMC is on-track to launch HMC Capital Partners Fund I in May 2022 with a \$500m target first close¹
- ✓ The unlisted open-ended fund will offer investors the opportunity to gain exposure to a high conviction investment strategy seeking to generate outsized returns from predominantly real asset investment opportunities in Australia and New Zealand across both private and public markets
- ✓ HMC expects to launch the fund with a number of high conviction seed investments which have already been identified and researched
- ✓ The initial fund raise will target sophisticated high-net-worth (HNW) investors from a number of private wealth channels which have supported HMC's previous funds management initiatives
- ✓ Post the initial fund raising, HMC will look to broaden its sources of capital across both retail and institutional capital
 - HMC has recently hired Chris Boyd from Schrodgers to grow HMC's retail distribution capability
 - HMC is in active discussions with a number of potential institutional investors regarding large scale co-investment opportunities
- ✓ The new HMC Capital Partners fund will enhance HMC's ability to execute large scale transactions with materially greater earnings potential via performance fees and broaden HMC's investment strategy and focus into new alternative asset classes

Strategic Hires

Recent hires expand HMC's elite team & ability to execute complex, large-scale transactions and enhances leadership capability

Recent senior hires



Nicholas Harris
Head of Funds Management

- Nick has over 30 years of experience in real estate funds management
- Nick was previously at GPT Group where he was head of funds management for over a decade
- Nick will continue to grow our capital partnership initiatives
- Nick joined HMC in April 2022



Victoria Hardie
Managing Director – HMC Capital Partners

- Victoria joins HMC from UBS where she was a Managing Director and co-head of real estate investment banking
- Victoria has broad sector experience across infrastructure, natural resources and real estate
- Victoria spent 3 years in New York with UBS as a senior M&A advisor
- Victoria commences with HMC later this year



Gavin Mullet
Managing Director – HMC Capital Partners

- Gavin has over 20 years' experience in direct investments, cross-border M&A, asset management, and commercial and board roles across a range of asset classes.
- Gavin was previously Head of Infrastructure at Challenger Group and previously worked in investment banking at JP Morgan
- Gavin joined HMC in early February 2022



Christian Soberg
HealthCo Chief Financial Officer

- Christian has over 20 years experience in the healthcare sector in both in Australia and Europe
- Prior to joining HMC, Christian was the CFO at Whitecoat and Plenti
- Christian previously worked in healthcare investment banking at Rothschild and Royal Bank of Scotland in Sydney and London
- Christian joined HMC in November 2021



Rowan Griffin
Head of Sustainability

- Rowan has over 30 years' experience in real estate funds management, and over 10 years in real estate sustainability and responsible investment
- Rowan was previously Head of Sustainability, Property at Lendlease Australia for 7 years, and prior to that at CFSGAM.
- Rowan joined HMC in October 2021



Chris Boyd
Group Head of Retail Distribution

- Chris has over 20 years' experience in funds management, and over 15 years in the distribution of unlisted investments across public and private markets.
- Chris previously was Head of Private Wealth Sales at Schroders where he held various roles over the 11 years he worked there.
- Chris commences with HMC in June 2022.

HMC expects to make additional hires to further strengthen our origination and execution capability



HMC Capital Partners

HMC is on-track to launch HMC Capital Partners Fund I in May 2022

Why Alternative Assets?

Alternatives provide large addressable markets and a natural hedge against rising inflation, interest rates and potential market volatility

Why Alternatives?

1.



Large addressable markets

2.



Exposure to powerful megatrends

3.



Low correlation to traditional asset classes

4.



Inflation protection

5.

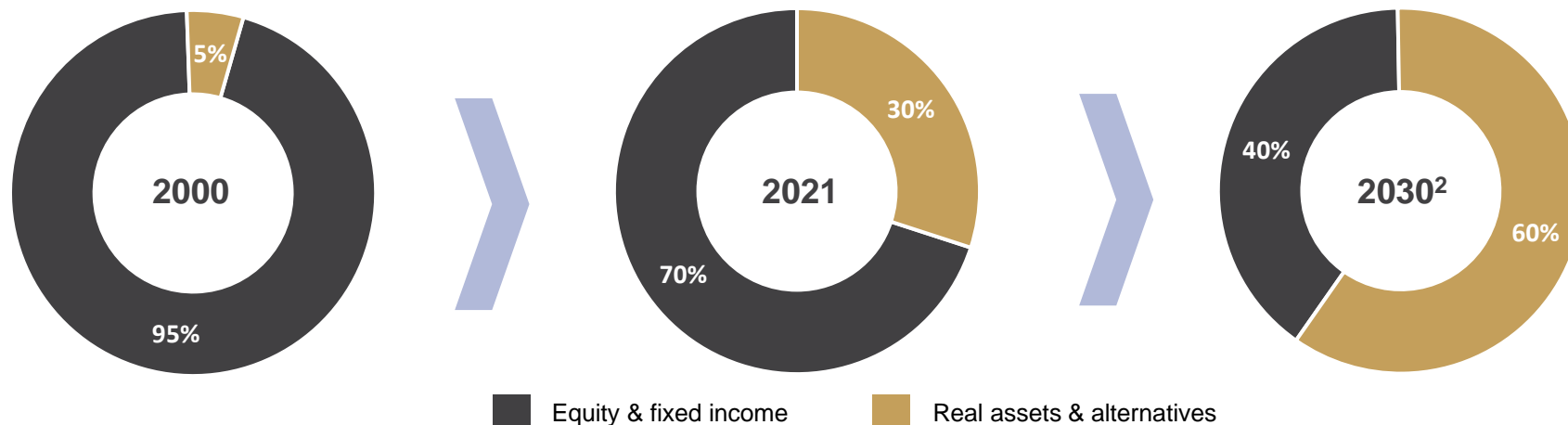


Greater potential to add value through active management

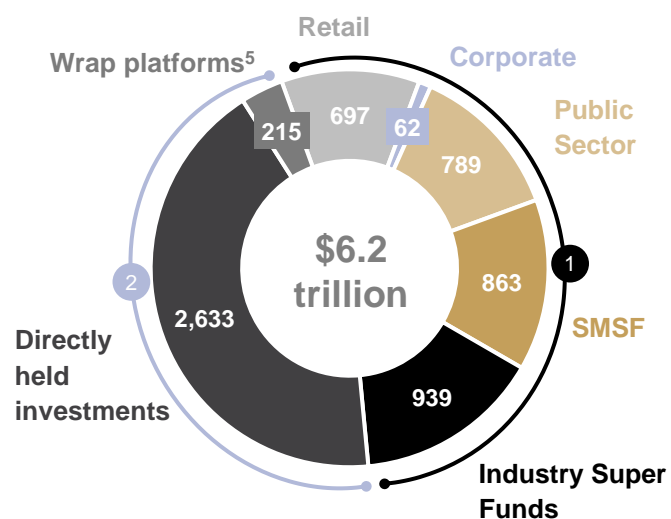
Significant Growth in Investor Demand for Alternatives

Demand for alternatives is growing exponentially as investors seek greater diversification and exposure to non-correlated assets

Forecast growth in global pension fund allocation to alternatives¹



Australia super and non-super capital pools



1 Superannuation Industry (\$3.4 trillion)³

- Australia is the 4th largest pension market in the world³ and is projected to grow to ~\$10tn+ by 2038³ led by SMSF, industry and retail funds
- Significant consolidation underway to result in fewer globally significant funds
- Retail funds have historically provided limited exposure to alternatives relative to industry funds

2 Personal Investments (Non-Super) (\$2.8 trillion)⁴

- Australia's personal investment market is projected to grow to \$5.4tn by 2035⁴ supported by significant growth from wrap platforms
- Wrap platforms projected to grow to \$400bn+ by 2035 from approximately \$126bn currently (~8% p.a CAGR)

HMC Capital Partners Investment Mandate

HMC Capital Partners Fund I will target outsized equity returns and leverage its flexible mandate to invest across the capital structure depending on the market cycle

The Fund will focus on unlocking value inherent within mispriced real-asset backed companies through its *High Conviction Strategic Stakes*’ investments and supplement this with megatrend exposed *Private Equity*’ opportunities

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:
 - Conglomerate discount
 - Cyclical factors
 - Suboptimal capital allocation
- ✓ Assist boards and management teams unlock ‘trapped’ value through improved capital allocation & operational performance
- ✓ Ability to target large scale opportunities via leveraged positions as well as structured credit

75 - 100% Invested Capital

2

PRIVATE EQUITY

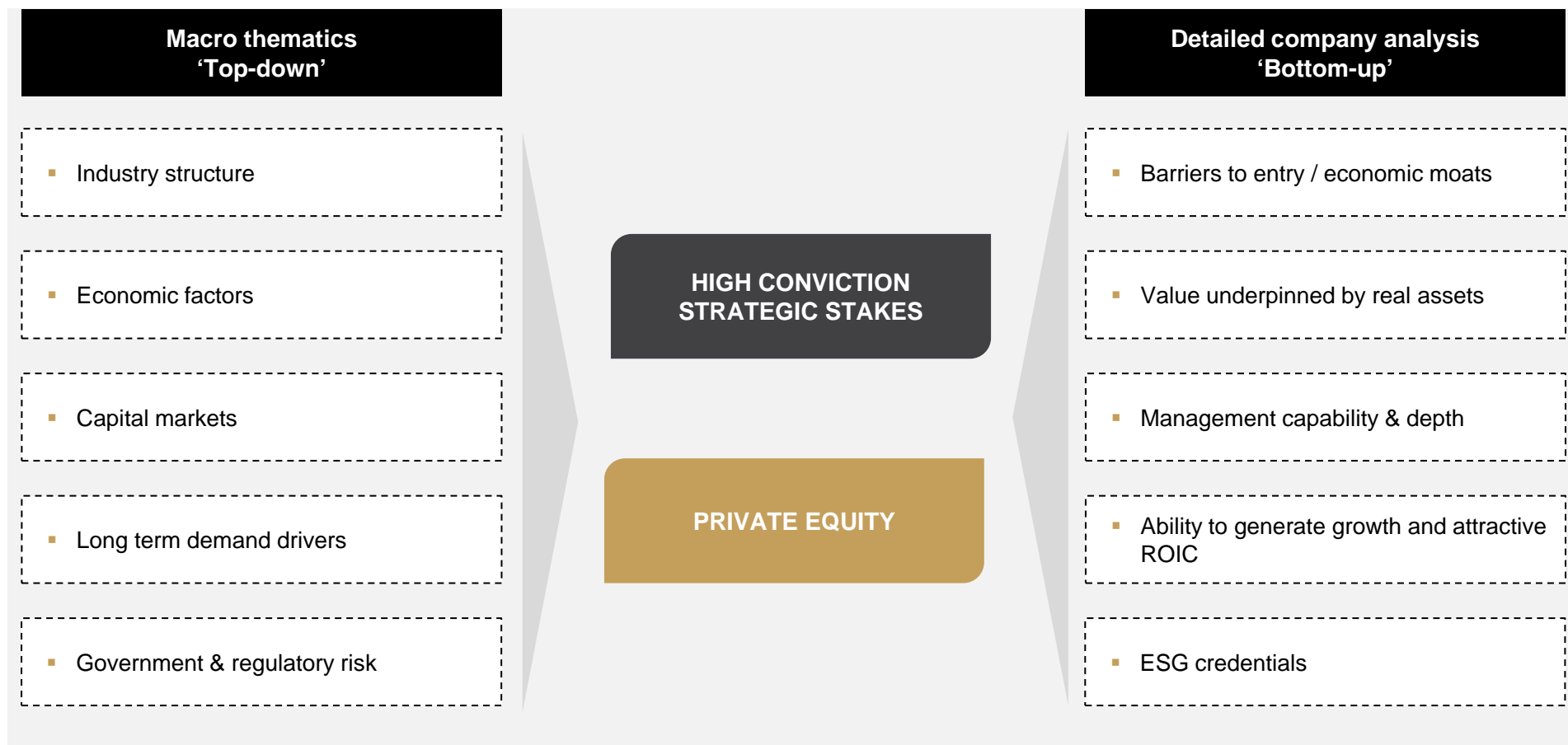
- ✓ Private companies exposed to megatrends (e.g. healthcare, infrastructure, telecommunications, energy/renewables) via equity and / or structured credit
- ✓ Full or partial stakes in portfolio companies that require:
 - Growth capital to accelerate growth
 - Access to HMC Capital’s Advisory Panel and broader network
- ✓ Focused on high quality businesses with:
 - Genuine barriers to entry
 - Strong recurring earnings
 - Attractive growth runway

0 - 25% Invested Capital

The Fund is targeting a net IRR¹ of 15%+ and a target distribution yield of 2% - 4% per annum once stabilized.

HMC Capital Partners Investment Philosophy

Detailed top-down and bottom-up analysis underpinned by HMC Capital's broader ESG policy



The proposed investment strategy is designed to provide maximum flexibility to invest across the capital structure into our highest conviction ideas with a focus on real assets and ability to execute



Supplementary Information

FY22 Outlook and Guidance

Targeting at least 121% growth in pre-tax FFO per share growth in FY22

FY22 PRE-TAX FFO

29.0 cps¹

+15.9cps growth²

FY22 DPS

12.0 cps

41% payout ratio

FY22 GUIDANCE

- HMC reaffirms FY22 FFO (pre-tax) guidance to at least 29.0 cents per share
 - FY22 FFO (pre-tax) guidance represents at least 121% growth on FY21 supported by strong transactional income and trading profits on the sale of remaining direct property on the balance sheet
 - FY22 FFO (pre-tax) guidance assumes limited transactional activity in 2H FY22 providing upside potential
- FY22 DPS of 12.0 cents is also reaffirmed and implies a 41% payout ratio of pre-tax FFO
 - Strategy to maintain DPS and reduce payout ratio overtime will provide additional funding capacity to significantly grow external AUM and establish new growth platforms

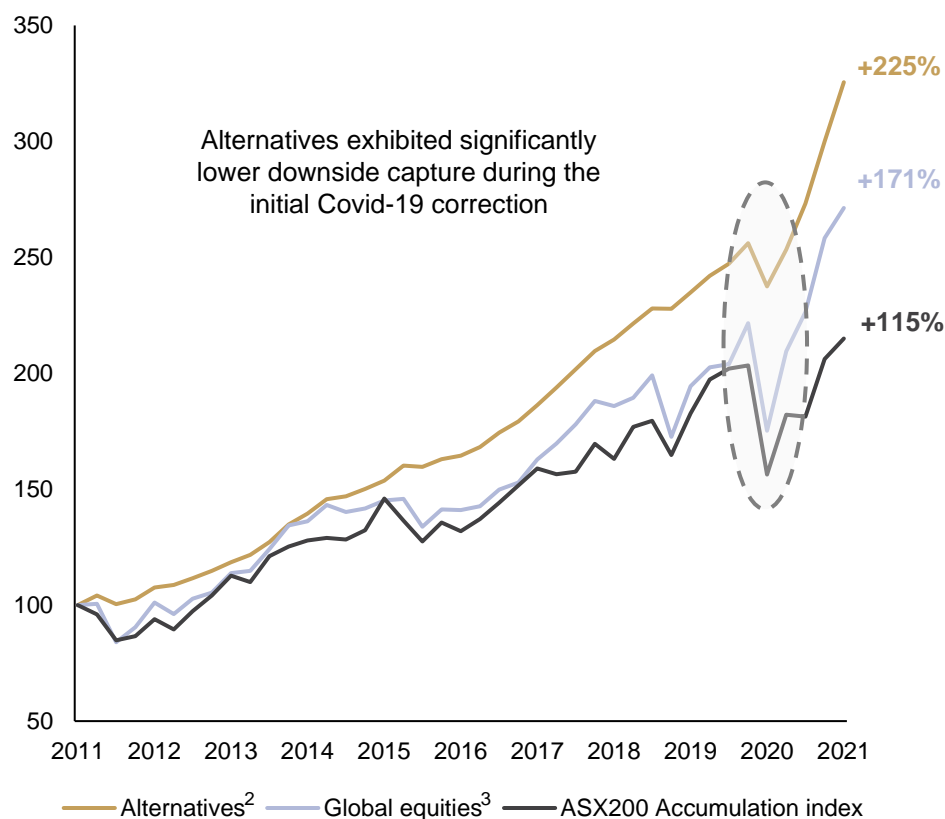
Notes: 1. Outlook statements have been made barring any unforeseen circumstances and on the basis that COVID-19 government-mandated restrictions do not escalate beyond the present circumstances. 2. Growth relative to FY21 pre-tax FFO per share.

Why Alternative Assets? (cont.)

Alternatives have historically delivered superior risk adjusted returns while providing protection in high inflation environments

Alternative assets – outperformance vs traditional equity¹

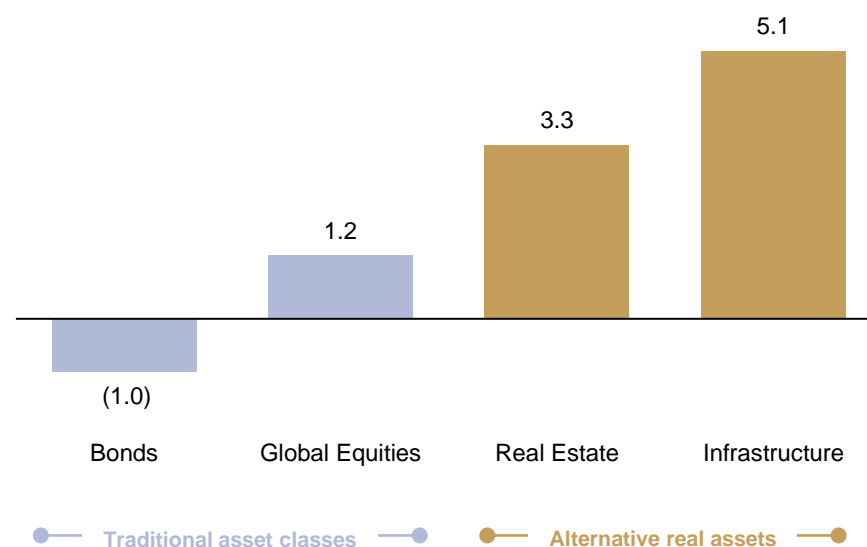
Despite all time highs in public markets, alternative assets have continued to outperform listed equities on both a global and domestic scale



Alternative real assets outperform during inflationary periods

Real assets have historically outperformed during periods of higher inflation⁴ due to their ability to pass on rising input costs, high operating margins with low labour costs and inflation-linked cash flows

Inflation Beta – degree of over/underperformance vs. long-term average returns of different asset classes for every 1% inflation surprise⁵



Source: Preqin Private Capital Quarterly Index, Cohen & Steers as at March 2021.

1. Historical 10 year returns commencing Mar-11, rebased to 100. 2. Alternatives comprises Private Equity, Venture Capital, Real Estate, Infrastructure, Private Debt and Natural Resources. 3. Global equities refers to MSCI World Index Total Return. 4. Real assets include Real Estate (Apartments, industrial warehouses, health care, retail, self storage, hotels, offices, data centers) and Infrastructure (Electric/water utilities, cell towers, passenger and freight railways, airports, toll roads, marine ports). 5. Inflation beta calculates the linear regression beta of 1-year real returns to the difference between the year-over-year realized inflation rate and lagged 1-year-ahead expected inflation, including the level of the lagged expected inflation rate. For example, an inflation beta of 5.1 means that a diversified real assets portfolio has typically outperformed its long-term average return by 5.1% for every 1% that inflation exceeded the prior year's consensus expectation.

Investment Process

Clear and robust Investment Process driven through best-in-class origination capability

ORIGINATION PROCESS

- ✓ **Screen and identify value opportunities:** Screen ASX/NZX by size, sector, shareholder returns, trading multiples, discount to fundamental value, ROIC, ESG and capital structure
- ✓ **Leverage extensive network:** Management team and board bring an extensive relationship network which provides access to key executives and board members across corporate Australia as well as investment banks, industry consultants and research analysts
- ✓ **Partnerships:** Investment team has track record and experience in forming consortia with like-minded investors as required (e.g. Masters transaction)
- ✓ **Execution capability:** Ability to move quickly to capitalise on opportunities and unlock value through the delivery of investment case returns



INVESTMENT PROCESS

TOP DOWN & BOTTOM UP ANALYSIS

- ✓ Develop investment case based on macro fundamentals and megatrends
- ✓ Detailed valuation analysis to determine intrinsic value of opportunity



DUE DILIGENCE

- ✓ In depth review of publicly available information through in-house expertise
- ✓ Leverage HMC Capital Partners relationship network to facilitate meetings with target management



INVESTMENT COMMITTEE

- ✓ Robust Investment Committee approval process with key focus on ESG
- ✓ Investment Committee will be chaired by the HMC Group CEO and will have a number of independent members from HMC platform entities

Further Information

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