



ASX RELEASE

04 July 2022

HMC CAPITAL PARTNERS FUND 1 – SHAREHOLDER LETTER

HMC Capital (ASX: HMC) despatched the attached letter to shareholders informing them of the potential to invest in HMC Capital Partners Fund 1.

Authorised for release by the Board.

For further information, please contact:

INVESTORS

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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 as at 31 December 2021.

4 July 2022

HMC Capital Partners Fund I

Dear Investor

As an existing investor in Home Consortium Limited (ACN 138 990 593; ASX:HMC) (**HMC Capital**) and/or one of HMC Capital's managed entities, HMC Investment Management Pty Ltd (**Manager**) is pleased to notify you of the potential opportunity to invest in the 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.

The Manager intends to primarily invest across a concentrated portfolio of high-conviction stakes in listed Australian and New Zealand companies with real asset backing. The Manager will also have the flexibility to invest in private companies where the opportunity exists to unlock value or accelerate growth.

The Fund will target returns of 15%+ per annum with a medium-term distribution yield of 2% to 4% per annum¹ and provide liquidity on quarterly basis.²

The HMC Capital management team has an established track record, and the Fund will be managed by the same investment 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 Manager has also established a majority independent Trustee Board comprising highly experienced and complementary Directors.

HMC Capital will, as at First Close (as defined below), commit \$150 million to the Fund via one or more Fund vehicles.² First Close Investors will be eligible for a 6-month fee rebate as well as the opportunity to subscribe for 1 option in HMC Capital for each 50 Units allocated³.

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

Yours sincerely



David Di Pilla
HMC Capital CEO & Managing Director



Chris Saxon
HMC Capital Chair

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 Subject to the qualifications set out in the Information Memorandum in respect of the Fund.

³ Subject to the conditions outlined under "Early commitment incentive program" in the Information Memorandum.

Who can invest?

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

A wholesale client includes an investor who:

- invests over AU\$500,000; or
- provides the Manager with a certificate from a qualified accountant (which is less than 2 years old) that states:
 - the investor has net assets of at least AU\$2.5 million; or
 - gross income of at least AU\$250,000 in the last two financial years.

What is the minimum investment?

\$50,000 unless otherwise approved by the Manager.

When is First Close?

First Close is 31 July 2022, unless otherwise determined by the Manager.

Early commitment incentive program

First Close Investors:

- will be issued Units at a price of \$1.00 per Unit;
- 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 (such that if First Close is 31 July 2022, the rebate period will end on 31 January 2023), with such rebate (excluding GST) to be paid on or around the end of the rebate period; and
- will be eligible to subscribe for 1 option in HMC Capital for each 50 Units they are allocated at First Close, subject to receiving (and making a valid application under) a prospectus in respect of such options and compliance with relevant law. No additional consideration is payable to acquire these options (**Option Entitlement**).

Investors who are not First Close Investors but who make a commitment to the Fund prior to 30 September 2022 will be eligible for the Option Entitlement.

The Options will be issued following HMC Capital's next AGM which is expected to be held in November 2022. Option subscriptions will be based on the number of units issued to eligible Investors: for example, if an investor makes a commitment for 50,000 Units on or before 30 September 2022, they would be eligible to subscribe for 1,000 Options.

The Option terms are summarised in the Information Memorandum and will be set out in detail in a prospectus to be issued by HMC Capital in due course. Any decision to acquire Options should be based on the prospectus. Only persons who are Wholesale Clients will be eligible to apply for options.

How to Invest?

Broker Offer

If you are a Wholesale Client and are an existing client of any of the following brokers, please contact your broker directly to apply for units in the Fund:



General Offer

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

Investor queries

Please reach out if you have any questions.

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Important information

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. 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.