

Fund Update

The Fund returned 4.5% during the month of February, resulting in a Net Asset Value (NAV) of **\$1.3296**/unit and delivering a 33.0% return over the 11 months since inception.

Ingenia contributed strongly to the Underlying Fund's performance, gaining 8.0% after beating consensus estimates on earnings and settlements for 1HFY24. In contrast, Lendlease weighed on the Underlying Fund's performance after releasing a disappointing 1HFY24 results. The Underlying Fund maintains its high conviction view on Lendlease over the medium term as a more focused, capital light group – and continues to proactively engage with the company to help achieve this outcome.

Global markets had a busy February with reporting season largely surprising to the upside as earnings proved resilient despite ongoing economic headwinds. More than 70% of ASX-listed companies met or exceeded guidance this reporting season, driven primarily by strong top line revenue growth which outweighed margin pressures from wage inflation and increased financing costs. The S&P/ASX300 Accumulation Index continued its climb to record highs, trading up 1.0% during the month, however we continue to expect volatile equity markets as investors digest macro data and anticipate timing of rate cuts. Interest rate sensitive stocks and small caps have gained a strong bid, and the Underlying Fund's portfolio is well positioned to benefit.

The Fund is pleased to note the Underlying Fund has started deploying into its fourth and fifth investments. More details will be disclosed as the Underlying Fund nears portfolio weight in these investments.

Entry price **\$1.3336 / unit¹**

Exit price **\$1.3256 / unit¹**

Fund NAV per Unit²

\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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										

Monthly Fund Returns (Net)³

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	n/a	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%											11.1%

Fund Performance (Net)³

%	1mth	3mth	6mth	1yr	2yr	Inception (aggregate)
Net Return (%)	4.5%	37.2%	21.7%	n/a	n/a	33.0%

¹ Entry and Exit prices reflect the Net Unit Value as at 29 February 2024, adjusted by the buy-sell spread (currently 0.30%)

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.

Fund Strategy

HMC Capital High Conviction Alternative (**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/our-funds/hmc-capital-high-conviction-alternatives-fund/>

IMPORTANT NOTICE

This Update has been prepared and issued by HMC Capital Investments Limited (ABN 34 606 555 480 AFSL 478061), which is the Fund's responsible entity. The Responsible Entity has appointed HMC Investment Management Pty Ltd (ACN 644 510 583) as the Manager of the Fund. The Manager is a related party of the Responsible Entity. The information contained herein is general information only and does not take into account the objectives, financial situation or particular needs of any person. You should consider whether this information is appropriate for you and consult your financial or other professional advisor before investing. You should obtain and read a copy of the Product Disclosure Statements relating to the Fund before making a decision to invest. Investment in the Fund is subject to risk including possible delays in payment or loss of income and principal invested.

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