

### HMC Capital High Conviction Alternatives Fund – New Capital Raising Campaign

- HMC Capital Partners Trust C (“**Underlying Fund**”) performing strongly since inception on 31 August 2022, delivering 17% return and outperforming the ASX300 Accumulation Index by 10%<sup>1</sup>
- Underlying Fund currently holds three investments, including a ~19% stake in Sigma Healthcare and a ~3% stake in Lendlease
- In order to grow the HMC Capital High Conviction Alternatives Fund (“**Fund**”) and Underlying Fund capacity to take advantage of further opportunities, HMC Capital is seeking to undertake a new capital raising campaign for the Fund through July and August 2023
- First \$50m funds raised to be eligible for an Investment Incentive in the form of a "bonus 2% contribution" where HMC Capital<sup>2</sup> will pay 2% of the application price for subscribing investors – meaning that they only pay 98%<sup>3</sup>

#### Fund Update

In early June an investee company of the Underlying Fund **Sigma Healthcare** announced it had been awarded the contract for the supply of Pharmaceutical Benefits Scheme medicines and Fast-Moving Consumer Goods to Chemist Warehouse. Following the announcement, the Sigma share price has rallied significantly, trading up 32%<sup>4</sup> – and driving performance by the Fund. We expect further valuation upside from the Sigma investment as the benefits from the Chemist Warehouse contract (commencing July 2024) and other strategic initiatives are realised.

As at 30 June 2023, the Underlying Fund has delivered a 17% return since inception, outperforming the S&P/ASX300 Accumulation Index by 10%.<sup>1</sup> Further details regarding the Fund and Underlying Fund's performance and outlook is set out in the Fund's June quarter update, available at <https://www.hmccapital.com.au/our-funds/hmc-capital-high-conviction-alternatives-fund/investment-collateral/hmcc-hcaf-fund-i-june-2023-quarterly-reportpdf/>.

#### New Capital Raising Campaign

As we approach the twelve-month anniversary of the Underlying Fund, the strategy is performing in line with our expectations, and we are excited about the opportunities in front of us. To position us to take advantage of potential buying windows in coming months we are undertaking a new capital raising campaign for each of HMC Capital Partners Trust A, the Underlying Fund and the Fund (the

<sup>1</sup> As at 30 June 2023 based on preliminary unaudited results. Performance figures are calculated net of fees and costs. Past performance is not a reliable indicator of future performance.

<sup>2</sup> HMC Capital Limited (ASX:HMC) has agreed to pay or procure the payment of the Investment Incentive.

<sup>3</sup> Effectively represents an incentive for the subscribing investor, with HMC Capital to fund the 2% subscription amount as described in more detail under the 'Investment Incentive' section below. The payment of the Investment Incentive will not result in any dilution for existing Fund investors.

<sup>4</sup> As at close on 30 June 2023, vs the pre-announcement share price at close on 5 June 2023.

"Capital Raising Trusts"). HMC Capital Investments Limited (ABN 34 606 555 480) (AFSL 478061), as responsible entity of the Fund ("Responsible Entity"), will utilise substantially all of the proceeds it receives in connection with the capital raising to subscribe for units in the Underlying Fund. Investment in each of HMC Capital Partners Trust A and the Underlying Fund is limited to persons who are wholesale clients (as defined in the *Corporations Act 2001* (Cth)) (or equivalent under applicable foreign laws) ("Wholesale Clients"). Investors who are not Wholesale Clients may only participate in the capital raising via the Fund.

The first \$50m of applications received in aggregate into the Capital Raising Trusts in July and August 2023 will be eligible for the Investment Incentive on the terms outlined below. Existing investors in the Capital Raising Trusts will be prioritised over new investors for the Investment Incentive.

### Investment Incentive

- A "bonus 2% contribution" with respect to units subscribed for in the Capital Raising Trusts, where an eligible investor will have HMC Capital pay 2% of the application price for units in the relevant Capital Raising Trust.
- The application price of all units issued in the Fund pursuant to this capital raising shall be equal to the Net Asset Value of the Fund divided by the total number of units in the Fund, adjusted for associated transaction costs (as described in more detail in the Product Disclosure Statement of the Fund issued 27 March 2023).
- The Investment Incentive will be paid by HMC Capital Limited (ASX:HMC) or one of its affiliates on behalf of the relevant subscribing investor.
- The aggregate amount of the Investment Incentive is capped at \$1 million, although HMC Capital will retain the ability to increase the aggregate amount of the Investment Incentive at its discretion.
- The Fund will not be eligible for the Investment Incentive in respect of its subscription for units in the Underlying Fund.
- Refer to the appendix for an illustrative worked example.

### How to Apply

Refer to the Financial Services Guide (FSG), Product Disclosure Statement (PDS), Supplementary Product Disclosure Statements (SPDS) and Target Market Determination at <https://www.hmccapital.com.au/our-funds/hmc-capital-high-conviction-alternatives-fund/>

Completed applications must be received by the Responsible Entity of the Fund on or before:

- 18 July 2023, with application monies due within 5 business days of payment notice, in order for your application to be processed and new units issued in the Fund in mid-August, based on the application price calculated as at 31 July 2023; or
- 15 August 2023, with application monies due within 5 business days of payment notice, in order for your application to be processed and new units issued in the Fund in mid-September, based on the application price calculated as at 31 August 2023.

### Further Information

If you have any questions about the capital raising or the Investment Incentive, please do not hesitate to contact Chris Boyd, Head of Distribution on 0416 077 166 or by email at [invest@hmccapital.com.au](mailto:invest@hmccapital.com.au).

We thank you for your ongoing interest in the Fund and look forward to providing further updates on our investment progress and the Fund's performance.

Yours Sincerely,

	
Victoria Hardie Managing Director HMC Capital Partners	David Di Pilla Managing Director and Group CEO HMC Capital

### IMPORTANT NOTICE

This Update has been prepared and issued by the Responsible Entity of the Fund. 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 Statement and the Supplementary Product Disclosure Statement 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.

### Appendix: Illustrative worked example

#### Application exclusive of Investment Incentive

Application amount = \$100,000

*To be input via Automatic application form.  
This is the dollar amount the investor will contribute.*

Application price (illustrative) = \$1.10/unit

Application price to be calculated as at 31 July 2023

Number of units issued = 90,909.09 (rounded to 2 d.p.)

$\$100,000 / \$1.10$

#### Application inclusive of Investment Incentive

Application amount = \$100,000

*To be input via Automatic application form.  
This is the dollar amount the investor will contribute.*

Amount contributed by HMC Capital = \$2,040.82

Application price (illustrative) = \$1.10/unit

Application price to be calculated as at 31 July 2023

Number of units issued = 92,764.38 (rounded to 2 d.p.)

$\$102,040.82 / \$1.10$

(i.e. Incentive is equal to an additional 1,855.29 units)