

## Fund Update

The Fund returned 6.6% during the month of January, resulting in a Net Asset Value (NAV) of **\$1.3573/unit**. The strong performance was driven by the Fund's take up of its \$76 million pro-rata share of the Sigma Healthcare equity raising at \$0.70/share. With Sigma closing the month up 3% at \$1.04/share, the acquisition of these additional shares in Sigma delivered an unrealised gain of \$37 million for the Fund.

Lendlease and Ingenia Communities ended the month largely unchanged, down 0.8% and up 0.7% respectively. This is broadly in line with the S&P/300 Accumulation Index which returned 0.1% during the month.

Economic and inflation data during January continued to give investors confidence that the US and local economy will achieve a 'goldilocks' scenario and interest rate cuts are on the horizon. However, we expect equity markets to be volatile over the coming months as markets speculate on the timing and magnitude of potential interest rate cuts in 2024/2025. While we believe this speculation will drive equity market performance over the coming months, we remain high conviction in our view that interest rates will be lower in 12 months – accordingly, we expect Lendlease and Ingenia will be beneficiaries of this environment.

We continue to actively engage with our investee companies and are close to deploying on investments four and five.

We remain disciplined in our approach to identifying undervalued, high-quality businesses with opportunity to catalyse returns uncorrelated to the broader market.

Entry price **\$1.3614 / unit<sup>1</sup>**

Exit price **\$1.3532 / unit<sup>1</sup>**

## Fund NAV per Unit<sup>2</sup>

\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1.0000	\$1.0372	\$1.0269	\$1.0534	\$1.0348
2023	\$1.0740	\$1.0681	\$1.0596	\$1.0760	\$1.0696	\$1.1692	\$1.1943	\$1.1636	\$1.0717	\$0.9459	\$1.0317	\$1.2738
2024	\$1.3573											

## Monthly Fund Returns (Net)<sup>3</sup>

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.7%	(1.0%)	2.6%	(1.8%)	3.5%
2023	3.8%	(0.5%)	(0.8%)	1.5%	(0.6%)	9.3%	2.1%	(2.6%)	(7.9%)	(11.7%)	9.1%	23.5%	23.1%
2024	6.6%												6.6%

## Fund Performance (Net)<sup>3</sup>

%	1mth	3mth	6mth	1yr	2yr	Inception (annualised)	Inception (aggregate)
Net Return (%)	6.6%	43.5%	13.6%	26.4%	n/a	24.0%	35.7%

<sup>1</sup> Entry and Exit prices reflect the Net Unit Value as at 31 January 2024, adjusted by the buy-sell spread (currently 0.30%)

<sup>2</sup> As at month end. NAV per unit refers to Trust A and Trust C units.

<sup>3</sup> All performance figures are quoted net of fees and costs. Figures may not sum exactly due to rounding. Inception date 31 August 2022. Performance is shown for informational purposes only. Past performance should not be taken as an indicator of future performance.

## Fund Strategy

HMC Capital Partners Fund I (**Fund**) is an Australian-domiciled open-ended unlisted fund providing exposure to a high-conviction investment strategy seeking to generate superior risk-adjusted returns<sup>4</sup>.

The Manager 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 Manager 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 Information Memorandum and the HMC website. The ability of the Fund to offer quarterly withdrawals is not guaranteed.

## Contact Details

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**How to Apply:** Refer to Information Memorandum at <https://www.hmccapital.com.au/our-funds/hmc-capital-partners-fund-i/> If you are a Wholesale Client you may apply for Units at: <https://investor.automic.com.au/#/w/hmccp>. Existing investors can login in to their Automic online investor portal at <https://investor.automic.com.au/> to access information on their holding, or to apply for additional units.

## IMPORTANT NOTICE

This Update has been prepared and issued by HMC Investment Management Pty Ltd (ACN 644 510 583) (Manager). Each Capital Partners Trust has a trustee which is a subsidiary of HMC Capital and a corporate authorised representative of HMC Capital Funds Management Pty Limited (ACN 154 055 446, AFSL 513 625). Each Trustee has appointed HMC Investment Management Pty Ltd as Investment Manager for each Trust. The trustees are HMC Capital Partners No. 1 Pty Ltd (ACN 658 946 117) (in respect of HMC Capital Partners Trust A), HMC Capital Partners No. 2 Pty Ltd (ACN 658 946 288) (in respect of HMC Capital Partners Trust B) and HMC Capital Partners No. 3 Pty Ltd (ACN 658 946 484) (in respect of HMC Capital Partners Trust C). 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 obtain and read a copy of the Information Memorandum 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.

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