HMC Capital Partners Fund 1

Information Memorandum

Important Information

Issuer

This Information Memorandum dated 18 March 2024 has been prepared and issued by the Trustees of the HMC Capital Partners Fund 1 (**Fund**) to provide background information for persons considering applying for interests in the Fund.

Each Trustee has appointed HMC Investment Management Pty Ltd (ACN 644 510 583) (**Manager**) as investment manager of each Trust for which they act as trustee to provide investment management services to each Trust in accordance with the Management Deed.

HMC Capital Funds Management Pty Limited (ACN 154 055 446) the holder of Australian Financial Services Licence no. 513 625 (**Licensee**) has also been appointed by each Trustee as its agent for the purposes of arranging for the offer to issue, vary or dispose of Units pursuant to section 911A(2)(b) of the Corporations Act. The relevant Trustee will only issue Units in the Fund in accordance with such offers if they are accepted.

This Information Memorandum is supplied personally to the recipient on the conditions set out below.

The recipient's acceptance of these conditions is evidenced by its retention of this document. If these conditions are not acceptable, the recipient must return the Information Memorandum immediately.

Not an offer of securities

The provision of this Information Memorandum to any person does not constitute, and may not be used for the purposes of, an offer of securities or interests of any kind to that person or an invitation to any person to apply for the issue of securities or interests of any kind.

Where offered in Australia, the Fund is designed for institutional and wholesale investors only. This Information Memorandum should not be distributed and no Units in the Fund should be offered or sold to any person who is not a Wholesale Client (as defined in the *Corporations Act 2001* (Cth)) (or equivalent under applicable foreign laws) and would not contravene any applicable law.

Confidentiality and distribution of this document

This Information Memorandum and any other information provided in connection with this Information Memorandum are confidential to the Fund. It is provided to prospective investors for the sole purpose of considering an investment in the Fund and must not be copied, supplied, disseminated, or disclosed by any recipient to any other person (other than an employee or professional adviser of the recipient who is bound to keep it confidential), and the prospective investor and its professional advisers must keep confidential all matters contained within it which are not already in the public domain or subsequently become public other than through the fault of the recipient or its advisers. By receiving and retaining this document, prospective investors agree to be bound by and observe these confidentiality restrictions. If these conditions are not acceptable this Information Memorandum must be returned immediately to the Trustees.

The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this Information Memorandum must seek advice on, and comply with, any such restrictions.

Any person who receives a copy of this Information Memorandum in circumstances where receipt of this Information Memorandum is unlawful or unauthorised or requires the Trustees to take any additional steps, including registration, must not accept the copy of the Information Memorandum and must immediately return it to the Trustees.

Any failure to comply with restrictions on receipt or distribution of this Information Memorandum may constitute a violation of applicable securities law.

Independent advice required

In preparing this Information Memorandum, the Trustees have taken no account of the investment objectives, financial situation and particular needs of any particular person, and prospective investors must not construe the contents of this Information Memorandum as tax, legal or financial product advice. Before making any decision to invest in the Fund, prospective investors should:

- seek and rely on their own professional advice, in particular by obtaining appropriate tax, legal, financial and investment advice in light of their own circumstances; and
- conduct their own independent investigation and analysis regarding any information contained in this Information Memorandum.

Information given in this document or otherwise

The Trustees and each of their affiliates, Related Bodies Corporate, officers, employees, advisers, agents or associates (**Relevant Persons**) do not exclude any condition, warranty or right, the exclusion of which would contravene the *Australian Competition and Consumer Act 2010* (Cth) or any other applicable law.

Subject to the foregoing, the Relevant Persons:

- do not warrant or represent the origin, validity, accuracy, completeness or reliability of the information contained in this Information Memorandum (or any accompanying or subsequent information), and do not accept any responsibility for errors or omissions in this Information Memorandum (or any accompanying or subsequent information);
- disclaim and exclude all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this Information Memorandum (or any accompanying or subsequent information); and
- do not have an obligation to advise any person if any of them becomes aware of any inaccuracy in, or omission from, this Information Memorandum (or any accompanying or subsequent information).

Past performance is not necessarily indicative of future results. In addition, certain information in this Information Memorandum may constitute forward-looking statements. All statements of opinion or belief, all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of the Fund, any prior fund or any portfolio company, represent the Manager's assessment and interpretation of information available as at the date of this Information Memorandum. No representation is made or assurance given that such statements, views, projections or forecasts are reasonable or correct or that the objectives or prospective returns of the Fund, any prior fund or any portfolio company will be achieved.

Certain of the information contained in this Information Memorandum has been obtained from published sources prepared by other parties and no responsibility is assumed for the accuracy or completeness of such information. In addition, all industry and market data has been sourced from research of the Manager, unless otherwise indicated.

Risk

An investment in the Fund should be regarded as speculative and will involve significant risks, due to the nature of the investments the Fund intends to make.

The Fund is not a suitable investment for persons unable to sustain a loss of all or part of the sum invested or who require certain or predictable income flows. Investors should have the financial ability and willingness to accept the risks and lack of liquidity which are characteristic of the investments described in this Information Memorandum, for the entire term of the Fund.

In particular, the attention of prospective investors is drawn to the risk factors set out in Section 11 (**Risk Factors**) of this Information Memorandum.

Constituent Documents

This Information Memorandum contains a summary and description of certain features of the Fund. Any information provided in this Information Memorandum and in any other document or communication is subject to the constituent documents for the Fund, including the Trust Deed for each Trust, the Management Deed and each Application Form, which contain the details of the rights and obligations of investors in the Fund. To the extent there is any inconsistency between this Information Memorandum and the constituent documents for the Fund, the latter prevail.

Supplementary information

The Trustees may in their absolute discretion, but are under no obligation to, update or supplement this Information Memorandum at any time. Such further information is provided under the same terms and conditions as this Information Memorandum.

Currency

All dollar amounts in this Information Memorandum are quoted in Australian dollars, unless otherwise stated.

Glossary

Certain expressions used in this Information Memorandum have defined meanings which are explained in Section 13 (**Glossary**).

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SECTION 1

Executive Summary

Dear Investor,

*We are pleased to offer you the opportunity to invest in the HMC Capital Partners Fund I (***Fund***), an Australian-domiciled 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 also has the flexibility to invest in private companies where the opportunity exists to unlock value or accelerate growth.

The Manager believes that current volatile market conditions will create highly attractive opportunities and that a portfolio allocation to the Fund will allow investors to benefit from exposure to these opportunities.

The Fund targets returns of 15%+ per annum with a medium-term distribution yield of 2% to 4% per annum.[1] *HMC Investment Management Pty Ltd (***Manager***) manages the day-to-day investments and operation of the Fund. The Manager is a subsidiary of HMC Capital Limited (ASX:HMC). HMC Capital manages over $8.5*[2] *billion of investments across its platform including two ASX-listed REITs (ASX: HDN and ASX: HCW).*

The HMC Capital management team has a proven track record which has been achieved through an active investment process. Since IPO in October 2019, HMC Capital has grown funds under management by 6.7x and delivered total shareholder return for investors of approximately 156% representing an approximately 120% outperformance vs the S&P/ASX 200 Index[1,3]*. The Fund benefits from the same investment team and processes as HMC Capital and is supported by additional dedicated and high calibre investment professionals.*

HMC Capital has, as at 31 January 2024, invested $170 million to the Fund and as an aligned manager will have a strong focus on protecting capital and managing risk.

Our Investment Team understands the responsibility of protecting investors' capital and is extremely focused on delivering against our objective of superior risk-adjusted returns in uncertain times.

Yours Sincerely,

David Di Pilla	***Chris Saxon***
HMC Capital CEO & Managing Director	*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. As at 31 December 2023.
3. Returns as at 31 January 2024. HMC IPO share price of $3.35 adjusted by $0.67/security to exclude HDN in specie distribution. Assumes dividends reinvested on ex-dividend date. Past performance is not a reliable indicator of future performance. These returns are unrealised and unaudited.

SECTION 2

Fund at a Glance

Fund	The Fund comprises three Australian domiciled unregistered unit trusts as follows: • HMC Capital Partners Trust A – for high-net-worth investors; • HMC Capital Partners Trust B – for institutional investors; and • HMC Capital Partners Trust C – for platforms, (each, a **Trust**) each of which is expected to qualify as a MIT and elect to be an AMIT for Australian income tax purposes.
Trustee	Each 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) (**the Licensee**). 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 Licensee arranges for the issue of Units pursuant to an intermediary authorisation.
Manager	HMC Investment Management Pty Ltd (ACN 644 510 583) manages the day- to-day investments of the Fund.
Fund Strategy	To provide exposure to a concentrated portfolio of alternative assets (with a real asset focus) targeting medium to long-term capital growth and income by primarily investing, directly or indirectly, in: • **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. • **Private Equity**: investment in private companies exposed to megatrends (e.g. healthcare, infrastructure, telecommunications, energy/renewables) or where value dislocation presents opportunity. The Manager may access opportunities across listed and private companies through equity, credit or hybrid instruments and anticipates utilising leverage on the Fund's assets with the objective of enhancing returns. The Fund will not invest in securities issued by HMC Capital.
Target Fund Returns	**Target Return**: 15%+ net IRR per annum measured over a 3 to 5 year holding period. **Target Distribution Yield**: 2%-4% per annum (post the second anniversary of First Close). Target Returns and Target 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.
Investors	The Fund is only open to investors who are wholesale clients (as defined in the *Corporations Act 2001* (Cth)).

Minimum Investment	The minimum initial investment is $50,000 and the minimum additional investment is $10,000, unless otherwise approved by the Trustees.
Issue Price	The issue price of a Unit issued is equal to the aggregate of the Net Unit Value adjusted for the Buy/Sell Spread.
Target Fund Size	$500 million – $1.5 billion.
First Close	The First Close took place on 31 August 2022.
Manager Participation	HMC Capital has, as at 31 January 2024, invested $170 million in the Fund via one or more Fund vehicles. Following the Lock Up Period, HMC Capital will, for so long as it is the Manager of the Fund, continue to hold at least 5% of Units in the Fund. For the avoidance of doubt, affiliates and associates of each Trustee and the Manager may cast votes on any matter. HMC Capital will not be entitled to vote on the winding up of a Trust or any increase in fees.
Term	Open-ended, however the Trustees may determine to stop taking applications at their discretion.
Management Fee	An amount equal to 1.00% per annum (excluding GST) of the Net Asset Value of each Trust calculated and accrued monthly and payable quarterly in arrears.
Performance Fee	The Manager is entitled to a performance fee of 20% (excluding GST) of returns in excess of a hurdle return of 7% per annum of the Net Asset Value of each Trust, subject to a High Water Mark. See Appendix A for an illustrative worked example. The Manager's entitlement to a Performance Fee in accordance with this paragraph will be calculated and accrued monthly and paid to the Manager on each of the following calculation dates as if property of the relevant Trust was disposed of at the relevant calculation date and in accordance with the Valuation Policy: • 30 June 2024; • each 30 June thereafter; • where Units are redeemed (in respect of the redeeming investor only); and • as otherwise set out under the Trust Deed.

SECTION 3

About the Manager

Overview of the Manager

The Manager is a wholly-owned subsidiary of HMC Capital, an ASX-listed fund manager which invests in high-conviction and scalable real asset strategies.

HMC Capital was listed on the ASX in October 2019 and is the manager of the ASX-listed HomeCo Daily Needs REIT (ASX: HDN) and HealthCo Healthcare and Wellness REIT (ASX: HCW). Across these two vehicles, HMC Capital has externally managed assets of $8.5 billion[1]. Since listing in October 2019, HMC Capital has achieved total shareholder return for investors of approximately 156% representing approximately 120% outperformance vs the S&P/ASX 200 Index and has increased assets under management by $7.6 billion representing a CAGR of >70%.[1, 2]

Management team

The HMC Capital platform comprises an experienced investment management team supported by more than 70 funds management professionals across key functions of asset management, finance, tax and risk management.

The Fund's investment team is led by the same management team, and use the same investment process and philosophy, that led the leveraged buyout and successful turnaround of the former Masters portfolio from Woolworths in 2017. This management team has managed the group since its ASX-listing in 2019 and has transformed HMC Capital into a leading ASX-listed alternative asset manager.

The investment team has a proven track record of delivering outsized equity returns and executing large, complex transactions (refer Section 4). The existing team has been strengthened with the addition of a number of key strategic hires including Victoria Hardie and Nicholas Harris.

The team is supported in its investment process by the Investment Committee as well as directors and advisors from the HMC Capital platform entities (**Advisory Panel**).

The investment team as well as members of the Trustee Board, Investment Committee and HMC Capital Board are shown below. The team has a uniquely broad range of capabilities derived from deep global experience across funds management, investment banking, corporate strategy, equity research, capital formation and corporate board membership.

1. As at 31 December 2023.
2. Returns as at 31 January 2024. HMC Capital IPO share price of $3.35 adjusted by $0.67/security to exclude HDN in specie distribution. Assumes dividends reinvested on ex-dividend date. Past performance is not a reliable indicator of future performance. These returns are unrealised and unaudited.

Team

HMC Capital Investment Team

David Di Pilla
Group Managing Director & CEO

Victoria Hardie
Managing Director HMC Capital Partners

Will McMicking
Group Chief Financial Officer

Misha Mohl
Group Head of Strategy, IR & Research

Andrew Selim
Group General Counsel

Jamie Sun
Group Corporate Finance Manager

Jourdon Whitfield-Horesh
Senior Associate

Saj Howpage
Senior Associate

Nicholas Harris
Head of Funds Management

Vaughan Anderson
Risk Management

HMC Capital Partners Fund I Trustee Board

Chris Roberts
Independent Trustee Director

Fiona Pak-Poy
Independent Trustee Director

Jingmin Qian
Independent Trustee Director

David Di Pilla
Trustee Director

Investment Committee

Fiona Pak-Poy
Independent Trustee Director

Jingmin Qian
Independent Trustee Director

Chris Roberts
Independent Trustee Director

Chris Saxon
Chair HMC Capital

David Di Pilla
Chair of Investment Committee

Greg Hayes
Non-Executive Director HMC Capital

HMC Capital Board

Chris Saxon
Chairman

Susan Roberts
Non-Executive Director

Brendon Gale
Non-Executive Director

Kelly O'Dwyer
Non-Executive Director

Zac Fried
Non-Executive Director

Greg Hayes
Non-Executive Director

David Di Pilla
Group Managing Director & CEO

Governance

HMC Capital Partners applies best practice principles of Corporate Governance, as currently demonstrated across the existing HMC Capital platform. Key governance arrangements are set out below:

Trustee

Each Trustee Board (**Trustee Board**) will maintain a majority of independent directors (**Independent Trustee Directors**) and will include one or more directors from HMC Capital. Each Trustee Board currently comprises four directors and this may be expanded to five directors in the future, subject to retaining a majority of independent directors. The Trustee Boards have responsibility for the governance and operation of the Trusts. Although the Trustees have appointed the Manager to provide investment management services in respect of the day-to-day operations of the Fund, the Trustees remain responsible for reviewing and monitoring the performance of the Manager, third-party service providers and overall compliance with Fund policies

Specific governance matters dealt with by the Trustee Boards include:

- Review and monitoring of Fund performance;
- Compliance with and enforcement of the Trust Deed and the Management Deed;
- Oversight of compliance with Fund policies;
- Material changes to the Fund strategy;
- Adoption or amendment of Fund policies;
- Approval of financial statements and statutory reporting;
- Approval of significant redemption requests; and
- Review and approval of independent valuations.

Where appropriate, certain matters will be considered solely by the Independent Trustee Directors, such as identifying, assessing and managing conflicts of interest and related party transactions and services.

Investment Committee

The Manager is responsible for appointing a committee in respect of the Fund (**Investment Committee**) which is chaired by the HMC Capital CEO and comprised of the members of the Trustee Board as well as two additional members of the HMC Capital Board. The Investment Committee also draws on the skills and experience of members of the Advisory Panel as appropriate in respect of particular investments. The Investment Committee is responsible for considering material investments and divestments of the Fund.

The Investment Committee is also responsible for monitoring portfolio risk in respect of the Fund in accordance with a Risk and Trading Policy.

To monitor risk, the Investment Committee receives reports and seeks input from the HMC Capital Partners investment team, which is responsible for the day-to-day management of portfolio risk (with specialist risk management input where required). Additional consultants are invited to attend meetings as required.

In relation to the Fund's high-conviction strategic stakes strategy, the Manager aims to manage downside protection and utilise leverage to build positions.

ESG and Sustainability

HMC Capital's ambition in relation to Environmental, Social and Governance (**ESG**) is to be a leader amongst its peers and to create an institutional grade strategy and approach to investing and asset management. HMC Capital believes that sustainable investments are aligned to long term value creation and should not be dilutive to returns.

HMC Capital's group sustainability commitments and FY23 achievements are listed below.

SIX SUSTAINABILITY COMMITMENTS

FY23 Highlights

ENVIRONMENT

CLIMATE ACTION

- Reduce carbon emissions and intensity
- Achieve environmentally efficient and resilient infrastructure
- Adopt renewable energy resources

FY23 Highlights

- ✓ 24% reduction in scope 1 and 2 carbon emissions[1]
- ✓ Energy Management System now installed at 30 sites, with a further 5 installations underway[2], exceeding targets of 15% for energy consumption reduction[3]
- ✓ 73% LED lighting conversion achieved across portfolio

GREEN FUTURE

- Trial waste minimisation and use influence to mitigate waste
- Enhance water efficiency
- Deploy environmentally friendly building materials and practices

FY23 Highlights

- ✓ NABERS and Green Star Performance ratings attained across the portfolio
- ✓ Achieved average 4 Star NABERS Energy portfolio ratings ("Best Practice")
- ✓ Achieved average 5.1 Star NABERS Water portfolio ratings ("Australian Excellence")

1. Emissions data for the 12-month period ending 30 June 2023 versus 30 June 2022. Annual data excludes divestments during the period and properties where the tenant is responsible for electricity consumption. Emissions data has been subject to internal assurance reviews but has not undergone external audit.
2. As at mid-September 2023.
3. EMS performance is based on 18 sites installed for >3 months as at 31 March 2023.

SOCIAL

CONNECTION

- Engage with communities to create connection and understanding
- Strengthen equitable access to essential products and services
- Provide safe space for communities

FY23 Highlights

- ✓ CommunityCo confirmed its first national partner, Eat Up Australia, which will commence in FY24
- ✓ Responsible investment standards adopted for all acquisitions with periodic reviews conducted
- ✓ Progressed *Reflect* Reconciliation Action Plan for implementation in FY24

RESPECT

- Show respect for human rights
- Ensure all employees enjoy wellbeing, safety and equal opportunity to reach their full potential
- Invest in the development of an environment for our people to drive engagement and values alignment

FY23 Highlights

- ✓ 50% gender diversity achieved organisation-wide and across independent Board Director positions
- ✓ Nil employee Lost Time Injuries

GOVERNANCE

ACCOUNTABILITY

- Commit to robust and transparent sustainability related governance standards and processes
- Hold strong and transparent relationships with investors
- Leverage business relationships to promote responsible business practices

FY23 Highlights

- ✓ HDN awarded 2023 ESG Regional Top-Rated company with Morningstar Sustainalytics
- ✓ HMC received a rating of AA in the MSCI ESG Rating assessment
- ✓ HDN lodged inaugural Modern Slavery Statement

ALIGNMENT

- Establish strong Board diversity, independence, and skillset
- Embed sustainability objectives in KPIs, remuneration and incentive structures
- Build an organisational culture that drives sustainable outcomes

FY23 Highlights

- ✓ 50% gender diversity achieved across independent board director positions
- ✓ Third-party evaluation of the HMC Board in FY23 as part of the Group's best practice governance
- ✓ ESG KPIs established for all employees

As a signatory to the UNPRI, HMC Capital values the importance of ESG issues and consideration of ESG forms a key part of HMC Capital's investment and management philosophy. ESG is integrated into our investment process and HMC Capital screens each of its proposed investments to ensure that they align with our ESG philosophy.

In particular, HMC Capital will not knowingly make an investment in respect of the following activities:

- the production or manufacture of non-therapeutic, harmful, and/or illicit substances including, but not limited to, illicit drugs, alcohol or tobacco;
- the exploitation of juvenile workers and/or individuals in bonded labour or other forms of modern slavery;
- the production or manufacture of weapons or other armaments;
- the mining or processing of new thermal coal; and
- the mining or processing of existing thermal coal (unless there is a deliberate and accelerated pathway to decarbonise as part of an energy transition strategy).

HMC Capital is also proud to be a signatory of the UN Global Compact (**UN GC**). We are committed to upholding the UN GC's 10 key principles related to human rights, labour, environment, and anti-corruption, as well as continuing to advance progress towards the UN Sustainability Development Goals.

Further details on our ESG and sustainability commitments and progress can be found at our website under "Our Commitments".

SECTION 4

Track Record

HMC Capital is an established fund manager with a proven track record of value-add management and capital stewardship.

Since its admission to the Official List of the ASX in October 2019, HMC Capital's total securityholder returns have materially outperformed the S&P/ASX 200 index by approximately 120%. Over the period to 31 January 2024, HMC Capital has delivered a total securityholder return of approximately 156% compared to approximately 36% for the S&P/ASX 200 index.[1]

Summary of investments/transactions[2]

The investment team has a proven track record of delivering exceptional returns and building high quality and scalable businesses. Key investments and transactions orchestrated by the investment team to date include:

Aurrum Group (2014)

- Aurrum Group was formed in July 2014 and has since established aged care and childcare businesses.
- Aurrum Group was the foundation sponsor and investor in the HMC Capital IPO.
- Since inception, Aurrum Group has achieved a ~7.8x multiple on money and 27% net IRR.[3, 4]
- Aurrum is also a financial investor having successfully invested and exited investments in ASX listed Japara Healthcare Ltd, realising a 44% unlevered IRR on exit.[5]

Masters Acquisition (2017)

- Consortium[6] acquisition of former Masters Home Improvement property portfolio.
- Complex leveraged buyout from Woolworths in 2017 in highly competitive bidding process.
- Since 2017, over 50 properties have been successfully repurposed/leased into convenience focused neighbourhood, LFR and health focused centres.
- Re-developed properties formed the base portfolios for the HMC, HDN and HCW IPOs.
- ~5.3x multiple on money with 25% net IRR since inception.[7]

1. Returns calculated from IPO date to 31 January 2024. HMC Capital IPO share price of $3.35 adjusted by $0.67/security to exclude HDN in specie distribution. Assumes dividends reinvested on ex-dividend date. These returns are unrealised and unaudited.
2. The information in this section is for illustrative purposes only and based on audited accounts where relevant. Past performance is not a reliable indicator of future performance. Unless indicated otherwise, all returns in this section are unrealised returns.
3. As at 31 December 2022.
4. Returns calculated from Aurrum Group inception to 31 May 2022 adopting independent valuations for aged care and quotable ASX closing prices. Returns are unrealised and unaudited.
5. Returns calculated over 18-month period. Returns are realised and unaudited.
6. Consortium includes Aurrum Group, Spotlight and Chemist Warehouse.
7. Consortium returns assuming Consortium's HMC Capital shares were exited at 31 January 2024 HMC Capital share price. Returns calculated from Consortium inception to 31 January 2024 are unrealised and unaudited.

HMC Capital IPO (2019)

- HMC Capital listed on the ASX in October 2019 with a $0.9 billion portfolio of freehold real estate assets.
- Since listing, HMC Capital has transitioned to a capital light fund manager with external assets under management of $8.5 billion.[8]
- As an active manager, HMC Capital has completed over $400 million in developments since the Masters Acquisition and has a further >$1 billion pipeline across HDN and HCW.[8]
- S&P/ASX 300 index in March 2022.
- 156% TSR with 24% net IRR since listing.[9]

HomeCo Daily Needs REIT IPO (2020)

- HDN listed in November 2020 via an in specie distribution from HMC Capital and $300 million IPO.
- HDN had a $0.8 billion portfolio focused on daily needs and services at IPO and gross assets have grown to $4.7 billion as at 31 December 2023.
- HDN is managed by HMC Capital which owns a 15% co-investment in the REIT.[8]

HealthCo Healthcare & Wellness REIT IPO (2021)

- HealthCo listed in September 2021 as the first ASX-listed diversified healthcare REIT. The portfolio has been constructed to provide investors with diversified exposure across five key subsectors including aged care, childcare, government/life sciences/research, hospitals, and primary care & wellness across its 40 assets.
- HealthCo is a highly scalable investment opportunity with a universe of $218 billion across target subsectors and a >$1 billion + accretive development pipeline.[8, 10]
- HCW is managed by HMC Capital which owns a 22% co-investment in the REIT.[8]

HDN and Aventus merger (2021-2022)

- Announced in October 2021, completed March 2022.
- Complex, large-scale transaction executed by HMC Capital investment team.
- Ability to synthesise favourable structure prompted the support of key AVN shareholders and Board members who unanimously recommended the deal.
- Transformative acquisition of AVN to create Australia's leading daily needs REIT with a strategic last mile logistics network and portfolio value of $4.4 billion at the transaction close date.
  - Increased HDN's portfolio by 2.3x from $1.9 billion to $4.4 billion at the transaction close date.
  - S&P/ASX 300 index inclusion in April 2022.
  - Highly accretive transaction and reduced HDN gearing.

Acquisition of Healthscope hospital portfolio (2023)

- Acquisition of a portfolio of Healthscope tenanted private hospitals for $1.2 billion announced in March 2023.
- Highly structured transaction involving a ~$320 million capital raising in HealthCo and ~$650 million[11] institutional capital raising for a new Unlisted Healthcare and Life Sciences Fund, with HMC providing strategic balance sheet support.
- Transformative acquisition materially improved the income security and quality of HealthCo's portfolio, almost doubling the portfolio size.
- The Healthscope portfolio delivered a 15% net valuation uplift between March 2023 and December 2023[12].

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8. As at 16 February 2024.
9. HMC Capital IPO price of $3.35 adjusted by $0.67/security to exclude HDN in specie distribution. Assumes dividends reinvested on ex-dividend date. Returns calculated from IPO date to 31 January2024. Returns are unrealised and unaudited.
10. L.E.K. Consulting based on report commissioned by HMC Capital in 2021.
11. Comprising $322 million from HealthCo and $328 million from four major global institutional investors.
12. Total Healthscope private hospital portfolio valuation on a 100% basis.

Demonstrated Manager alignment

HMC Capital has invested $170 million in the Fund. Following the Lock Up Period, HMC Capital will, for so long as it is the Manager of the Fund, continue to hold at least 5% of Units in the Fund.

HMC Capital has demonstrated ongoing alignment with its managed vehicles to support their continued growth and success. Key examples of this include:

- **Material co-investment stakes in managed REITs**:
  - Co-investments in each of HDN (15%) and HCW (22%);[13]
- **M&A execution support**:
  - HMC Capital contributed 7.5% to the $2.2 billion Aventus purchase price consideration;
  - HMC Capital provided strategic balance sheet support for the ~$320 million capital raising in HealthCo and ~$650 million[14] institutional capital raising for the new Unlisted Healthcare and Life Sciences Fund, which facilitated the acquisition of the Healthscope hospital portfolio described above.
- **Ongoing manager support**:
  - Reduction in HDN base management fee from 55bps to 50bps for GAV > $5.0 billion;
  - Sell-down of assets to both HDN & HCW at discounts to independent valuations;
  - Agreed to underwrite future HDN DRP's (at the election of HDN) in September 2021; and
  - HMC Capital funded 1 for 20 bonus unit during HDN April 2021 entitlement offer which allowed HDN to raise equity at reduced discount to its share price.

For the avoidance of doubt, affiliates and associates of each Trustee and the Manager may cast votes on any matter. HMC Capital will not be entitled to vote on the winding up of a Trust or any increase in fees.

13. As at 16 February 2024.
14. Comprising $322 million from HCW and $328 million from four major global institutional investors.

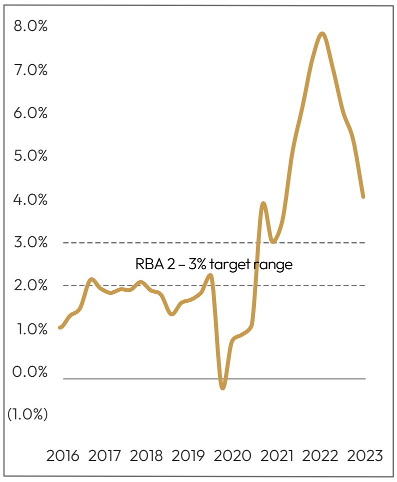
SECTION 5

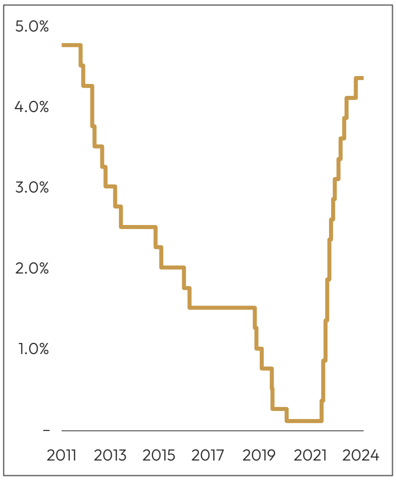
Investment Strategy and Approach

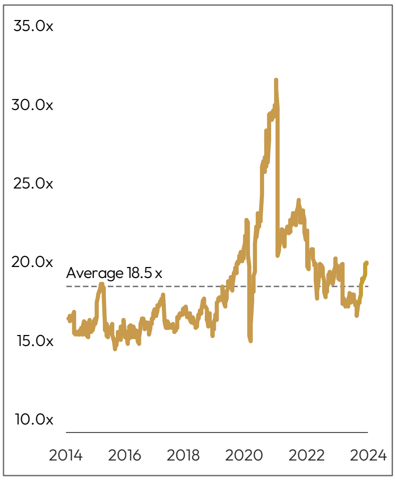
Investment Landscape

The Manager believes that there is a genuine gap in the Australian market for a specialist alternative asset manager that can provide investors with exposure to portfolios of real assets which are downside protected and uncorrelated to the broader listed equity returns in the medium term. The Manager believes that the current environment and outlook makes alternative assets an attractive hedge against above-target inflation, elevated interest rates and market volatility.

Inflation[1]	Interest rates[2]	Equity valuations[3]
Global inflationary pressures have significantly exceeded central bank forecasts and has driven a much more aggressive policy tightening	RBA has rapidly tightened interest rates from all-time lows in response to inflation pressures	Increased volatility in equity markets as prices adjust to inflation and the fallout from reduced liquidity and growth







HMC Capital Partners Fund I will be positioned to capitalise on market dislocation and volatility

Source: Bloomberg, ABS, FactSet as at 31 January 2024.
1. Annual Australia CPI on a quarterly LTM basis. 2. RBA official cash rate. 3. Historical ASX200 Industrials NTM P/E ratio.

Why Alternatives?

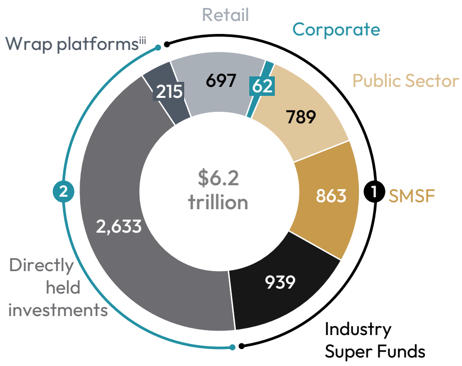
Alternative assets refer to investments that do not fall into traditional asset categories like cash or conventional listed equity and bond strategies. Alternative assets include private equity, private debt, hedge funds, real estate, infrastructure and natural resources.

Key reasons why the Manager believes that alternatives represent an attractive asset class:

- Large addressable market;
- Exposure to powerful megatrends;
- Low correlation to traditional asset classes;
- Inflation protection; and
- Greater potential to add value through active management.

A significant proportion of Australia's superannuation and personal savings capital pool has limited exposure to alternatives.[1] In contrast, global pension fund allocation to alternatives has grown from 5% to 30% in the past twenty years and is expected to grow to 60% by 2030.[1] With interest rates tightening from all-time lows, inflation at elevated levels and heightened equity market volatility, the Manager believes alternative assets represent an essential part of portfolio allocation.

Australia super and non-super capital pools



i. ASFA February 2022.
ii. Rice Warner: Personal Investments – land of plenty, 14 Apr 21.
iii. Wrap platforms ($215bn) comprises Wrap platforms ($126bn), Master trusts ($63bn) and Life investment products ($26bn).

1 Superannuation Industry ($3.4 trillion)[i]

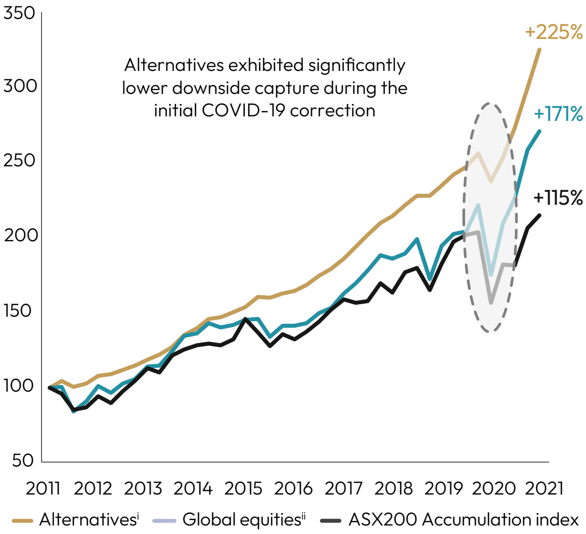
- Australia is the 4th largest pension market in the world[i] and is projected to grow to ~$10tn+ by 2038[i] led by SMSF, industry and retail funds.
- Significant consolidation underway to result in fewer globally significant superannuation funds.
- Retail funds have historically provided limited exposure to alternatives relative to industry funds.

2 Personal Investments (Non-Super) ($2.8 trillion)[ii]

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

Alternatives have historically delivered superior risk-adjusted returns while providing protection in high inflation environments (refer below chart). Despite recent all-time highs in public markets, alternative assets have outperformed listed equity strategies on both a global and domestic scale.

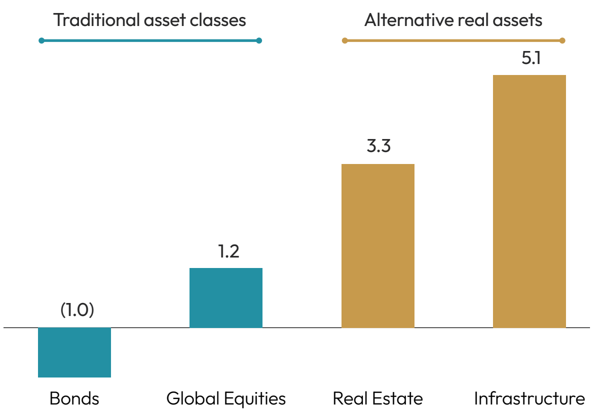
Alternative assets – outperformance vs traditional equity[2]



i. Alternatives comprises Private Equity, Venture Capital, Real Estate, Infrastructure, Private Debt and Natural Resources.
ii. Global equities refers to MSCI World Index Total Return.
iii. Historical 10 year returns commencing Mar 11, rebased to 100.

Alternative assets – outperform during inflationary periods[2]

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



i. Real assets include Real Estate (Apartments, industrial warehouses, health care, retail, self-storage, hotels, offices, data centres) and Infrastructure (Electric/water utilities, cell towers, passenger and freight railways, airports, toll roads, marine ports). Inflation beta calculates the linear regression beta of 1-year real returns to the difference between the year-over-year realised 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.

1. Source: Willis Towers Watson – Global Pension Asset Study 2020 for historical data. 2030 estimate by Brookfield.
2. Source: Preqin Private Capital Quarterly Index, Cohen & Steers as at March 2021.

Alternative real assets have historically outperformed during periods of higher inflation due to their inflation-linked characteristics:

Real estate

- Property values tend to rise with the overall price environment due to rising costs of labour, land and materials (i.e. rising replacement cost of the asset). Real estate companies typically have high operating margins and low labour costs.
- Commercial leases often have explicit rent escalators tied to inflation.

Infrastructure

- Cash flows and asset values may have direct or indirect links to inflation e.g. inflation is typically factored in to tariff determinations for regulated utilities; infrastructure assets underpinned by long-term contracts typically include escalators if inflation exceeds a specified level.
- Typically have relatively predictable operating costs given their established operating track-record.
- Barriers to entry as a result of scale and/or industry regulation.

The economic drivers of real alternative assets are often directly or indirectly tied to inflationary trends, historically resulting in outsized returns when inflation exceeds expectations. An allocation to real assets may therefore help to preserve purchasing power, potentially offsetting vulnerability to unexpected inflation that is historically characteristic of traditional portfolios of stocks and bonds.

Investment Mandate

HMC Capital Partners Fund I targets outsized equity returns and leverages its flexible mandate to invest in real-asset backed opportunities across the capital structure depending on the market cycle. The Manager targets two core investment strategies, designed to provide maximum flexibility to invest into high-conviction opportunities across listed and unlisted companies and across the capital structure. The Fund targets a return of 15%+ net IRR per annum and a 2-4% per annum income yield[3] (post the second anniversary of First Close).

The Manager has the ability to utilise leverage on the Fund's assets with the objective of enhancing returns. Refer to Section 7 for further detail on Key Terms of the Fund.

The Fund focuses on unlocking value inherent within mispriced real-asset backed companies through its 'High Conviction Strategic Stakes' investments and may 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, energy/renewables) or where a value dislocation presents opportunity
- ✓ Full or partial stakes in portfolio companies that require:
  - 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 15%+ net IRR per measured over a 3 to 5 year holding period and a target distribution yield of 2% – 4% per annum (post the second anniversary of First Close)[3]

3. 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.

1. High-Conviction strategic stakes in listed entities

The Manager invests in Australian and New Zealand listed entities with the opportunity to take a long-term strategic stake and influence change by taking a research-led approach to identify what are in the Manager's view undervalued 'asset rich' businesses trading below fundamental value due to a range of factors which may include:

- conglomerate discount;
- cyclical factors causing valuation discount;
- poor capital allocation and/or execution; and
- boards and management teams needing assistance to unlock 'trapped' value through improved capital allocation and operational performance.

The Manager also expects to partner with institutional investors regarding large-scale co-investment opportunities in order to expand its opportunity set.

The Manager will engage with portfolio companies to influence change through:

- identifying factors suppressing market confidence and valuation;
- driving operational improvement;
- optimising capital allocation – demerge or sell non-core businesses/assets;
- improving investor engagement and communication; and
- articulate clear strategy to restore investor confidence.

The Manager may utilise leverage on the Fund's assets with the objective of enhancing returns. Leverage has the potential to enhance returns and losses and therefore the use of gearing may increase the risk profile of the Fund. The Manager has a significant focus on protecting capital and may use derivatives (including futures and options) and FX to assist in hedging the portfolio. The Manager has established an Investment and Risk Management Policy to assist the Manager and its investment team in achieving the Fund's objectives in relation to risk management and leverage.

2. Private equity

The Manager may invest in unlisted Australian and New Zealand based companies with a real asset focus exposed to megatrends (including but not limited to healthcare, infrastructure, telecommunications and energy/renewables) as well as where the Manager believes value dislocation exists. These opportunities will typically involve businesses which are in the Manager's view high quality with:

- genuine barriers to entry;
- strong recurring earnings;
- attractive growth runway; or
- unrealised value.

The Manager aims to add value through:

- provision of capital to accelerate growth;
- unlocking trapped value through recapitalisation, demergers, divestments; and
- leveraging the experience of its Advisory Panel and broader network to harness sector expertise to identify value creation opportunities.

The Manager may access opportunities in high-conviction stakes and private equity through equity, credit and/or hybrid instruments.

Key Megatrends

HMC Capital Partners Fund I generally targets high-conviction and private equity investment opportunities in sectors which are, in the Manager's view, exposed to powerful megatrends:

Health & Wellness

- Long-term demand for healthcare is underpinned by demographic tailwinds, technological advancements and increased consumer focus and expenditure on quality of care and outcomes.
  - Australians 65+ are set to grow by 1.3 million to 5.6 million by 2030.[4]
  - The 85+ aged group is expected to grow 45% by 2030.[4]
  - In the last 20 years household consumption on heath & wellness has increased by 50% as a proportion of total.[4]
- Recurring expenditure across target sectors reached $194 billion in FY19 and is growing at twice the rate of GDP growth.[4]
- The current value of real assets across these sectors is estimated at ~$220 billion with hospitals accounting for c.$86 billion, residential aged care c.$39 billion, childcare c.$37 billion, innovation precincts c.$35 billion and primary and specialty care including pharmacy infrastructure c.$22 billion.
- Existing assets are held across a range of public, not for profit and private sector balance sheets, as well as a small ecosystem of property investors.[4] These assets represent critical distribution infrastructure to support the long term health needs of the Australian population and are expected to continue attracting both public and private capital.
- Over the longer term, it is estimated that $87 billion+ of new investment will be required in the hospital, residential aged care, primary medical and childcare sectors over the next 20 years to meet future demand needs (at current utilisation levels). Further investment will also be required to ensure aging and end of life assets are refreshed to meet modern standards, service needs and patient expectation. With Commonwealth Government net debt expected to increase from 25% to 41% of GDP by FY25, greater private sector engagement and capital investment will be important to addressing demand growth.[4]

Clean Energy Transition

Overview

- Global energy consumption continues to be supported by demand driven investment, rapid technological progression, government policy and cultural thematics.
- Total global energy investment is expected to increase from US$2 trillion p.a. currently to US$5 trillion p.a. by 2030 in order to reach net zero by 2050.[5]
- Progress towards a clean energy transition in Australia is estimated to attract $165bn spend over the next 8 years if Australia is to put itself on a pathway to net zero emissions by 2050;[6]
- Global renewable capacity growth continues to outperform, growing 10% in 2020 to 2.8GW globally
  - Oceania remains the fastest growing region at 18% in 2020, tripling Europe (6%) and more than doubling North America (8%).[7]
- Australia is expected to generate an estimated US$40 billion in power generation investment opportunities over the decade to 2030 as renewables' share in the National Electricity Market power mix increases from 21% to 41% by 2030.[8]

4. L.E.K. Consulting based on report commissioned by HMC Capital in 2021.
5. IEA World Energy Outlook 2021.
6. Global infrastructure Hub, Infrastructure Australia, Preqin, Arcadis, 21-22 Federal Budget, Statista.
7. IRENA 2021 Renewable Capacity Statistics.
8. Wood Mackenzie 2021.

Transition

- As the global economy and the energy sector in particular transitions from fossil-fuel and high levels of CO_2 emissions towards zero-carbon over the coming decades, substantial investment will be required across the economy in renewable energy, energy efficiency technologies and related infrastructure.
- The Manager will seek opportunities to proactively support companies that have a commitment to energy transition and where the Manager can support the company in achieving or accelerating their carbon reduction targets.
- In 2021, global investment in the low-carbon energy transition reached $755 billion, up from $595 billion in 2020 and just $264 billion in 2011.[9] IRENA estimates that US$5.7 trillion of investment will be required globally each year to 2030 to reach the 1.5°C Paris Agreement climate goal.[10]
- Opportunities for investment to support energy transition may include:
  - Energy supply and distribution: renewable power generation, extension and upgrading of transmission and distribution networks, installation and connection of battery storage;
  - Energy efficient buildings: energy efficiency initiatives in the real estate and building sectors (heat pumps, on-site solar, energy management systems);
  - Transport: charging infrastructure for electric vehicles; and
  - Alternative Fuels: electrolysers and hydrogen supply infrastructure, bioenergy infrastructure to support production, storage and distribution of biofuels.

Infrastructure & Telecommunications

- Infrastructure investment underpins the delivery of essential facilities and services for the broader economy creating a highly defensive alternative asset class that is well positioned to capitalise on global megatrends, including:
  - Digitisation and technological advancement: Australia has 22 million active internet users (91% of the population) with 45% of all internet traffic coming from mobile devices. In 2021, Australian's downloaded 9.8 million terabytes of data in the June quarter vs 8.2 million in 2018 and 2.2 million in 2016, representing a 35% 5-year CAGR which is anticipated to continue. To deliver the required infrastructure networks to support contemporary data consumption as well as the roll out of novel technologies, substantial ongoing investment by both private ISP's/Telecommunications companies as well as the public sector will be required e.g. additional $4.5 billion NBN investment forecast by 2023;[11] and
  - Urbanisation: ~75% of population growth is occurring in capital cities, resulting in need for investment in affordable housing, transport, telecommunications and other infrastructure.[11] Major public infrastructure investment in Australia is forecast to double over the next three years under a variety of programs including a $120 billion 10-year infrastructure investment pipeline.[11]
- Large total addressable market with an estimated $2 trillion of infrastructure investment need by 2040 in Australia.[11]
- Demonstrated low correlation with other asset classes and public markets, particularly over the long term, and has historically demonstrated reduced volatility vs traditional asset classes as less exposure to short-term market sentiment.[11]
- Often inflation-linked through regulation, concession agreements or contracts, with rates set to rise in line with, or above, inflation. Assets without an explicit link often have pricing power to deliver a similar outcome reflecting their monopolistic position.[11]

9. Energy Transition Investment Trends 2022, Bloomberg NEF.
10. World Energy Transition Outlook 2022, International Renewable Energy Agency.
11. Global infrastructure Hub, Infrastructure Australia, Preqin, Arcadis, 21-22 Federal Budget, Statista.

Investment Screening Process

The underlying philosophy of the Fund is to bring a long-term and more proactive strategic investor mindset to identifying and acquiring high-conviction stakes in quality companies.

The Manager's investment team has significant experience in executing complex transactions and unlocking value through engagement with management teams, boards and other stakeholders.

The Manager has a focus on 'value-oriented' investing in companies with 'real asset' backing, where recurring earnings are underpinned by tangible assets.

HMC Capital has a clearly defined and robust Investment Process driven through the investment team's best-in-class origination capability.

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

Origination Process

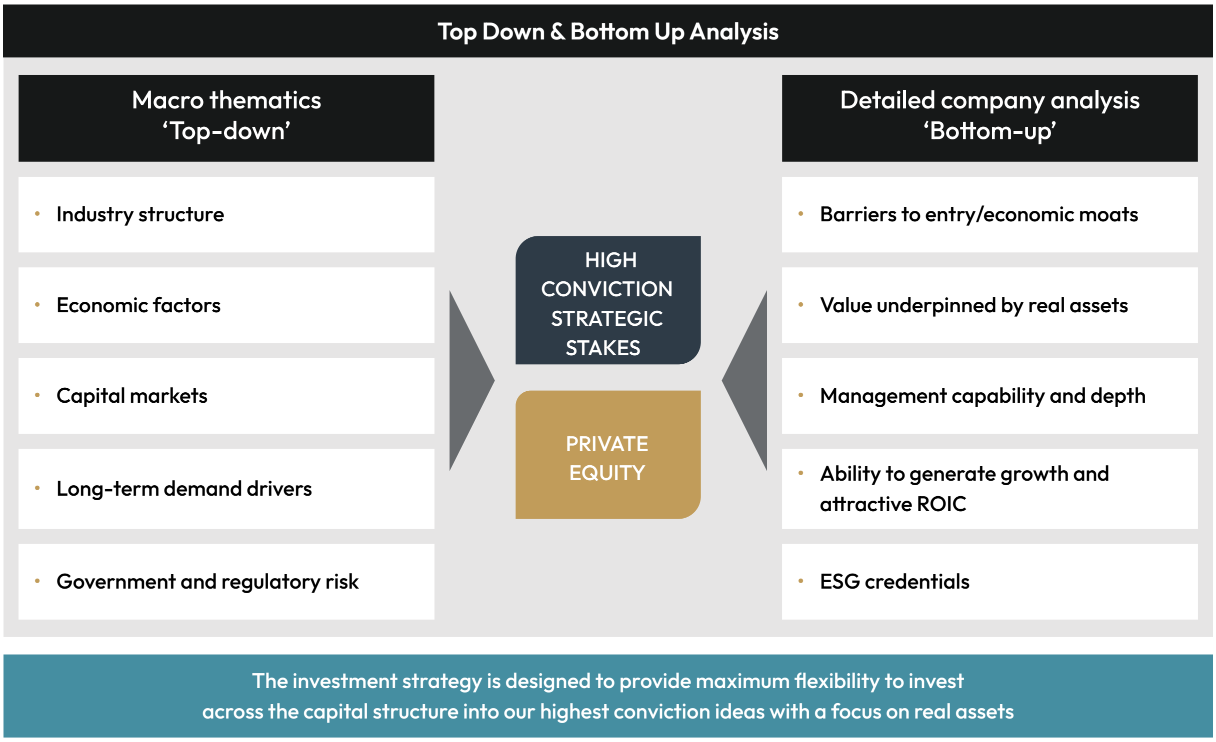
- ✓ **Screen and identify value opportunities**: Screen ASX/NZX by size, sector, shareholder returns, trading multiples, discount to fundamental value, ROIC, ESG and capital structure
- ✓ **Extensive network**: Management and Advisory Panel
- ✓ **Partnerships**: Investment team has track record and experience 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	Detailed Due Diligence	Investment Committee
✓ Develop investment case based on macro fundamentals and megatrends ✓ Detailed valuation analysis to determine intrinsic value of opportunity	✓ In depth review of publicly available information through in-house expertise ✓ Input from industry experts and market participants facilitated by HMC Capital Partners relationship network	✓ Robust Investment Committee approval process with key focus on ESG ✓ Investment Committee will be chaired by the HMC Group CEO and will include Trustee Board members as well as HMC Capital Board representatives

The Manager applies fundamental bottom-up research, screening, diligence and structuring with an aim of providing investors with actively managed exposure to a concentrated, high-conviction portfolio.

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



Opportunities in the listed strategy are sourced through both top-down and bottom-up filtering of listed entities, the team's deep knowledge of Australian and New Zealand corporates and through its network of relationships with banks, consultants, co-investors and advisors. Each opportunity is assessed against the Manager's target criteria appropriate for the relevant strategy, as set out below:

- potential to contribute to the target return while limiting downside risk;
- opportunity for operational improvement;
- identifiable factors suppressing market confidence and valuation;
- sub-optimal capital allocation;
- potential to demerge or sell non-core businesses/assets;
- opportunity to improve investor engagement and communication;
- opportunity to articulate clear strategy to restore investor confidence;
- shareholder register that presents opportunity for meaningful engagement; and
- sufficient liquidity to adjust holding position as required in respect of listed stakes.

The Manager follows a robust Investment Committee approval process with a key focus on ESG outcomes in addition to the above strategic criteria.

SECTION 6

Structure of the Fund

The Fund comprises three Australian domiciled unregistered unit trusts as follows:

- HMC Capital Partners Trust A – for high-net-worth investors;
- HMC Capital Partners Trust B – for institutional investors; and
- HMC Capital Partners Trust C – for platforms,

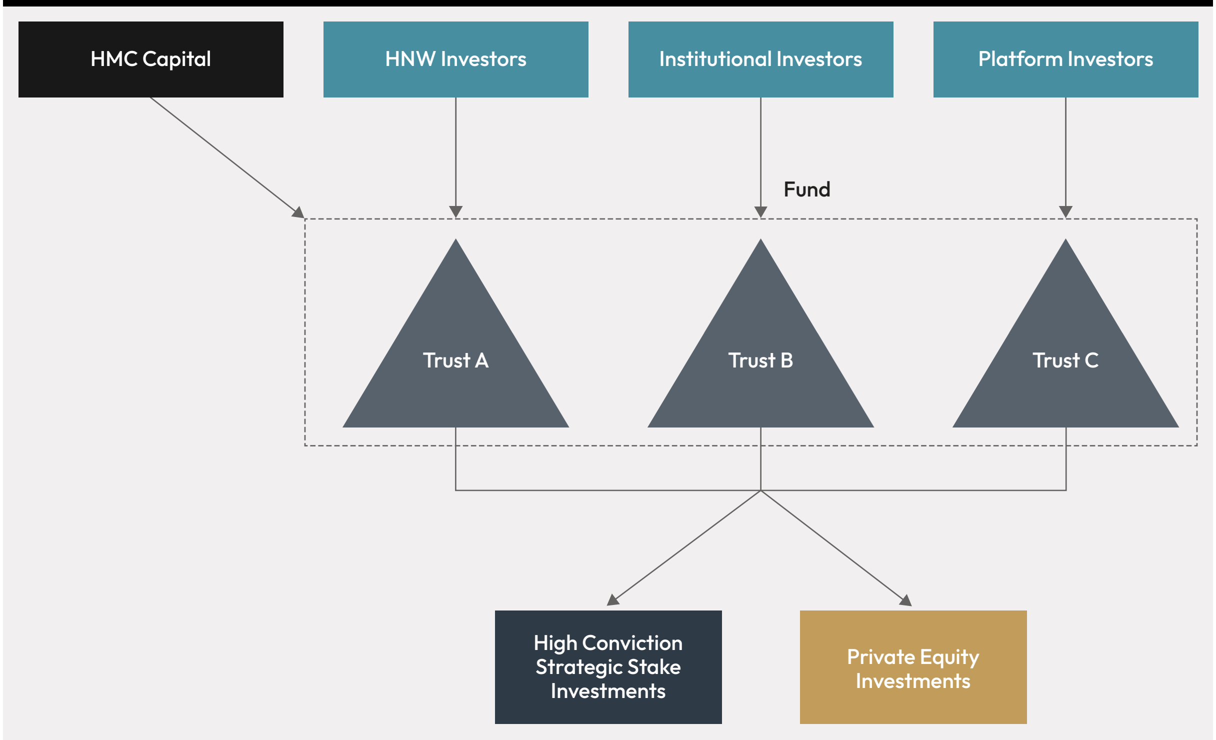
(each, a **Trust**) each of which is expected to qualify as a MIT and elect to be an AMIT for Australian income tax purposes.

The Manager may establish other vehicles to accommodate the needs of various investors.

Each investor in the Fund will be exposed to all strategies of the Fund implemented at the full discretion of the Manager.

The structure has been designed to accommodate the needs of different groups of investors around issues such as liquidity, platform requirements and drawdowns.

HMC Capital Partners Fund 1 Structure Diagram



6.1 Trustee

Each Trust has a trustee which is a subsidiary of HMC Capital and a corporate authorised representative of the Licensee. 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 management and operation of each Trust is the responsibility of the relevant Trustee in accordance with its obligations at law and under the relevant Trust Deed.

A Trustee may delegate certain responsibilities under the Trust Deed, including by appointing service providers to perform aspects of its role including fund administration, custody and investment management.

Each Trustee Board will have a majority of independent non-executive directors. The remuneration of these independent directors will be borne by the Fund and may be payable by way of Units in the Fund.

6.2 Manager

Each Trustee has engaged HMC Investment Management Pty Ltd (ACN 644 510 583) to provide investment management services to the Fund in accordance with the terms of the Management Deed.

6.3 Fund Administrator

Each Trustee has engaged Alter Domus as the administrator of the Fund. Under the Administration Agreement, the Administrator provides fund accounting, unit pricing and financial reporting services to the Fund.

SECTION 7

Key Terms

The following is a summary and description of certain general key features of the HMC Capital Partners Fund 1.

The terms below are a high level and non-exhaustive summary only. The terms are not to be relied upon and are not legal advice. Refer to the trust deed for the relevant Trust (defined below) (**Trust Deed**) for full terms which will prevail to the extent of any inconsistency. Capitalised terms used but not defined in these key terms have the meanings provided in the relevant Trust Deed unless the context requires otherwise.

Fund	The Fund comprises three Australian domiciled unregistered unit trusts as follows: • HMC Capital Partners Trust A – for high-net-worth investors; • HMC Capital Partners Trust B – for institutional investors; and • HMC Capital Partners Trust C – for platforms, (each, a **Trust**) which a Trustee may elect to have qualify as a MIT/AMIT. The Manager may establish other vehicles to form part of the Fund, including feeder and parallel vehicles, to accommodate the needs of various classes of investors.
Trustee	Each Trust has a trustee which is a subsidiary of HMC Capital and is a corporate authorised representative of the Licensee. 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 Licensee arranges for the issue of units in the Fund pursuant to an intermediary authorisation.
Manager	HMC Investment Management Pty Ltd (ACN 644 510 583) manages the day-to- day investments of the Fund.
Fund Returns	**Target Return**: 15%+ net IRR per annum measured over a 3 to 5 year holding period. **Target Distribution Yield**: 2%-4% per annum (post the second anniversary of the First Close). Target Return and Target 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.
Fund Strategy	To provide exposure to a portfolio of alternative assets (with a real estate and real asset focus) targeting medium to long-term capital growth and income by primarily investing, directly or indirectly, in: • **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. • **Private Equity**: investment in private companies exposed to megatrends (e.g., healthcare, infrastructure, telecommunications, energy/renewables) or where a value dislocation presents opportunity. • The Manager may access opportunities across listed and private companies through equity, credit or hybrid instruments.

Investment Parameters	The Fund has the following approximate portfolio guidelines. Actual allocations will vary according to market conditions, opportunities and the Manager's view on what will best achieve the Fund's target returns. • High-Conviction Strategic Stakes – 75 to 100% • Private Equity – 0 to 25% The Fund may gain exposure to investments via a variety of instruments (including derivatives, hybrid and/or credit instruments) when pursuing the investment strategy. The Fund will target minimal gearing at the Fund level given the Fund expects to source debt financing on specific or pooled underlying investments of each Trust. The Fund will not invest in securities issued by HMC Capital.
Investors	The Fund is only open to investors who are wholesale clients (as defined in the *Corporations Act 2001* (Cth)).
Applications	The Fund is open to monthly applications, unless otherwise determined by the Trustees. Refer to Section 8 for more details. Application amounts are payable on submission of an application. Any interest payable on application amounts will accrue to the benefit of the Fund. Application amounts paid in respect of rejected or any scaled back portion of applications will be returned to applicants without interest.
Issue Price	The issue price of a Unit issued is equal to the aggregate of the Net Unit Value plus the Buy Spread.
Redemption Price	The redemption price at which Units in a particular Class may be redeemed (following the Lock-Up period) is the Net Unit Value less the Sell Spread.
Minimum Investment	The minimum initial investment is $50,000 and minimum additional investment is $10,000, unless otherwise approved by the Trustees.
Target Fund Size	$500 million – $1.5 billion.
First Close	The first close of the Fund occurred on 31 August 2022.
Term	Open-ended, however the Trustees may determine to stop taking applications at its discretion.
Manager Participation	HMC Capital has invested $170 million in the Fund. Following the Lock Up Period, HMC Capital will, for so long as it is the Manager of the Fund, continue to hold at least 5% of Units in the Fund. For the avoidance of doubt, affiliates and associates of each Trustee and the Manager may cast votes on any matter. HMC Capital will not be entitled to vote on the winding up of a Trust or any increase in fees.
Management Fee	An amount equal to 1.00% per annum (excluding GST) of the Net Asset Value of each Trust calculated and accrued monthly and payable quarterly in arrears.

Buy/Sell Spread	0.30% (or any other amount determined by the Trustee with regard to estimated application or redemption transaction costs), as reflected in the issue and redemption price for Units. This is an additional cost to the Investor incorporated into the Issue Price and Redemption Price and is incurred when an Investor invests in or redeems Units from the Fund – it is not separately charged to the Investor. This is paid into or retained by the Fund for the benefit of other Unitholders. This amount represents a contribution to the estimated transaction and operational costs (such as brokerage, clearing and other costs) incurred by the Fund to accommodate the acquisition and sale of assets in the Fund to accommodate the issue and redemption of Units in the Fund.
Distributions	The Fund targets annual distributions (post the second anniversary of First Close), but otherwise distributions may be made at any time at the discretion of the Trustee. Investors may elect for their distributions to be re-invested in the Fund.
Performance Fee	In respect of each Trust, the Manager is entitled to a performance fee of 20% (excluding GST) of returns in excess of a hurdle return of 7% per annum of Net Asset Value, subject to a High Water Mark. See Appendix A for an illustrative worked example. The Manager's entitlement to a performance fee in accordance with this paragraph will be calculated and accrued monthly and paid to the Manager on each of the following calculation dates as if property of the relevant Trust was disposed of at the relevant calculation date and in accordance with the Valuation Policy: • 30 June 2024; • each 30 June thereafter; • where Units are redeemed (in respect of the redeeming investor only); and • as otherwise set out under the Trust Deed.
Fee Changes	The Trustees may change the Management Fee or Performance Fee payable by Investors at any time, provided that where the change is an increase in the fee, such change will be subject to approval by Ordinary Resolution of all Investors of the Fund to which the fee increase would apply.
Distributions in specie	The Trustee may only make distributions of property from a Trust (other than cash, tax credits and marketable securities): • on a pro rata basis with approval by Special Resolution of Investors in that Trust; or • to any one or more Investors with the consent of such Investor(s). The Trustees may make arrangements with certain Investors where the Investor receives an in specie distribution of property and others don't.
Re-investment	Each Trustee may reinvest subject to the restrictions set out below (see 'Redemption').
Co-investment right	Each Trustee and the Manager have discretion to offer and allocate co-investment opportunities as it determines. Refer to Section 10 for more detail.
Listing	The Manager may elect to exit assets via public listing.
Outside Fees	Any fees (including director's fees earned in respect of an investment of the Fund and other similar fees) earned by the Trustee, Manager and their respective affiliates and associates in respect of services provided to an investment of the Fund will be returned to the Fund. For the avoidance of doubt, Outside Fees do not include any amounts (including fees) received by a Trustee, the Manager or their respective affiliates and associates from co-investors or co-investments in respect of co-investment arrangements, which will be retained by HMC Capital.

Commissions	The Manager may pay commissions and other amounts to brokers and financial advisors in respect of the amounts invested by their clients.
Lock-Up	Where Investors apply to withdraw/redeem Units from the Fund in the period up to 2 years from the First Close (**Lock-Up**), the Trustees may apply up to a 5% discount on the Net Unit Value of any Units redeemed/withdrawn during that period.
Redemption	Subject to Lock-Up, Investors may apply to withdraw/redeem Units from the Fund at the end of each calendar quarter (**Redemption Period**) with 90 days prior notice to the last Business Day of each Redemption Period, or at such other times determined by the Trustee in its discretion up to a maximum of 5% per quarter of the Fund Units outstanding at that time. The Trustee will use reasonable endeavours to satisfy redemption requests (up to a limit of 5% of the Fund Units outstanding as at the last Business Day of the relevant Redemption Period (**Redemption Date**). The Trustee will use reasonable endeavours to satisfy redemption requests (up to a limit of 5% of Fund units outstanding) by the Redemption Date. The Trustee may permit redemptions in excess of this amount in its discretion having regard to whether the Fund has sufficient spare cash and liquidity and where the Trustee believes it is in the interests of Investors in the Fund as a whole. Where there is insufficient cash to meet all redemptions requests, redemption requests will be paid out pro rata. The Trustee may accept or reject a redemption request (in whole or in part) in its absolute discretion. Where there are redemption requests that have not been satisfied by a Redemption Date, the Manager may not reinvest the proportionate share of any realised asset proceeds referable to such Units (less any expenses or fees) and such proceeds shall (unless otherwise required to meet Trust obligations) be available to meet accepted redemption requests. Where a redemption request if processed would result in the number of Units held by that Investor falling below 10,000, the Trustee may elect to redeem all of that Investors Units at its discretion. Units will be redeemed (following the Lock-Up period) at the Net Unit Value less Transaction Costs. All assets will be realised when the Manager believes it is in the best interests of the Fund's Investors and in accordance with the investment strategy of the Fund.
Establishment Costs	Establishment Costs will be borne by the Manager.
Reimbursement of Expenses	The Trustee and Manager (or their appointees, to the extent permitted under the Constituent Documents) are entitled to be reimbursed out of the assets of the Fund for all out-of-pocket expenses properly incurred in connection with the management of the affairs of the Fund other than overheads (excluding the remuneration of the independent non-executive directors which will be borne by the Fund) and Establishment Costs.
ESG	The Fund will invest in line with the ESG strategy and framework of HMC Capital.

Removal or retirement of the Trustee	A Trustee may retire on at least 20 Business Days' notice to Investors of the relevant Trust and may be removed: • for cause in accordance with its Trust Deed (including insolvency, loss of Australian Financial Services Licence (or appropriate authorisation)) by Ordinary Resolution; or • following the end of the Lock-Up, without cause by Special Resolution, of Investors of the relevant Trust and in accordance with the procedures set out in the relevant Trust Deed. Each Trustee will retire if the Manager voluntarily retires or is removed and is not replaced by a member of the HMC Group.
Removal or retirement of the Manager	The Manager may retire on at least 20 Business Days' notice to Investors and may be removed: • for cause in accordance with the Trust Deeds (including insolvency, material breach of the Management Deed or loss of Australian Financial Services Licence (or appropriate authorisation)) by Ordinary Resolution; or • following the end of the Lock-Up, without cause by Special Resolution, of all Investors of the Fund and in accordance with the procedures set out in the Trust Deeds.
Replacement Trustee or Manager	Investors of the relevant Trust (in respect of a Trustee) or all Investors of the Fund (in respect of the Manager) must by Special Resolution elect and appoint a replacement Trustee or Manager (as the case may be) in the case of the: • voluntary retirement of the Trustee or Manager, as soon a reasonably practicable but no later than 20 Business Days after the Trustee or Manager gives notice of its retirement; or • removal of the Trustee or Manager, at the same time as the resolution is passed to remove the Trustee or Manager (as the case may be), in accordance with the procedures set out in the Trust Deeds.
Winding Up	The Fund may be wound up in accordance with the Trust Deeds by Special Resolution of all Investors of the Fund provided that Investors of the Fund holding at least 75% of all Fund commitments participate in the resolution (excluding the investment held by HMC Capital).
Compulsory withdrawals	Investors' interests may be forfeited at the election of the Trustee of the relevant Trust such as where: • interests are held in breach of prohibitions contained in the Constituent Documents; • interests are held in circumstances which might result in a violation of an applicable law (including by the Trust, Trustee or Manager), or subject the Trustee, Trust or Manager to taxation or otherwise adversely affect them in any material respect; • the Investor made a material misrepresentation in acquiring its interests. A Trustee may charge an Investor any legal, accounting, administrative or other amounts associated with a compulsory withdrawal.
Transfer from the Fund	The prior written consent of the Trustees (in their sole discretion) is required before an Investor may transfer any or all of its interests in the Fund. A transfer of the interest in the Fund will require the transferee to accede to the Constituent Documents.

Reporting	**Audited accounts for the Fund**: Within 120 days after the end of each financial year, the Trustees must provide each Investor with all final audited accounts for the Fund. **Quarterly report**: Within 60 days after the end of each calendar quarter, the Trustees must provide each Investor with a quarterly report about the general performance of the Fund.
Resolutions	Resolutions required under the Constituent Documents will be decided on a per Trust basis unless such resolution in the opinion of the Trustees affects the Fund as a whole in which case the resolution will be decided on a whole of Fund basis.
Valuation Policy	Units are priced on the last Business Day of each month, and/or such other time or times as the Manager may determine (**Valuation Day**). The Manager has engaged the Administrator to prepare the Net Asset Value of the Fund and the Net Unit Value of each class, if applicable, subject to the overall supervision and direction of the Manager. The assets of the Fund will be valued with reference to the last traded share price for the day (in the case of listed investments) and, in the case of unlisted investments, by the Manager in accordance with the Valuation Guidelines. The Manager intends to apply the International Private Equity and Venture Capital Valuation Guidelines and the Australian equivalent of the International Financial Reporting Standards in determining the fair value of unlisted investments or in the absence of such guidelines, in accordance with Australian accounting principles and guidelines approved by the Manager.
Side Letters	The Manager or a Trustee may, but are under no obligation to, enter into arrangements with any Investor to, amongst other things, provide additional information or an undertaking to satisfy legal or taxation requirements (including in respect of filings and the structuring of investments) of that Investor under the laws of any country.

SECTION 8

Applications and Redemptions

8.1 Applications

An offer to invest in the Fund is only made to Wholesale Clients (as defined under the Corporations Act).

Applications for Units are irrevocable and may be accepted or rejected (in whole or in part) at the discretion of the Trustees without providing reason and the Trustees may close the Fund to further investment at its discretion. An Application may not be withdrawn without the consent of the Trustees.

Any interest payable on application amounts will accrue to the benefit of the Fund. Application amounts paid in respect of rejected or any scaled back portion of applications will be returned to applicants without interest.

Subscription

To invest in the Fund, direct investors should apply online via our Registry at https://investor.automic.com.au/#/w/hmccp. Alternatively, direct investors may complete the paper Application Form which is available on request from the Trustees by emailing invest@hmccapital.com.au.

The completed Application Form, together with the application monies and supporting documentation must, unless otherwise agreed by the Trustees, be received by the Trustees in the manner set out in the Application Form prior to 5:00pm (Sydney time):

- 10 Business Days prior to the 1st of each calendar month, unless otherwise determined by the Trustees.

Minimum investment

The minimum initial investment is $50,000 unless otherwise approved by the Trustees.

The minimum additional investment is $10,000 unless otherwise approved by the Trustees.

Issue Price

The issue price of a Unit issued is equal to the aggregate of the Net Unit Value plus the Buy Spread.

8.2 Redemptions

Lock-Up

Where Investors apply to withdraw/redeem Units from the Fund in the period up to 2 years from the First Close, the Trustees may apply up to a 5% discount on the Net Unit Value of any Units redeemed/withdrawn during that period.

Redemption

Subject to Lock-Up, Investors may apply to withdraw/redeem units from the Fund at the end of each calendar quarter (**Redemption Period**) with 90 days prior notice to the last Business Day of each Redemption Period, or at such other times determined by the Trustee in its discretion up to a maximum of 5% of the Fund Units outstanding at the last Business Day of the relevant Redemption Period (**Redemption Date**). The Trustee will use reasonable endeavours to satisfy such redemption requests (up to a limit of 5% of Fund units outstanding) by the Redemption Date.

The Trustee may permit redemptions in excess of this amount in its discretion having regard to whether the Fund has sufficient spare cash and liquidity and where the Trustee believes it is in the interests of Investors in the Fund as a whole. Where there is insufficient cash to meet all redemptions requests, redemption requests will be paid out pro rata.

Where a redemption request is not fully satisfied due to scale back and an Investor wishes to redeem the balance of the requested redemption, they are required to submit a new redemption request in the subsequent Redemption Period.

The Trustee may accept or reject a redemption request (in whole or in part) in its absolute discretion.

Where there are redemption requests that have not been satisfied by a Redemption Date, the Trustees may not reinvest the proportionate share of any realised asset proceeds referable to such Units in the following Redemption Periods (less any expenses or fees) and such proceeds shall (unless otherwise required to meet Trust obligations) be available to meet accepted redemption requests.

Where a redemption request if processed would result in the number of Units held by that Investor falling below 10,000, the Trustee may elect to redeem all of that Investor's Units at its discretion.

Redemption price

The redemption price at which Units in a particular Class may be redeemed (following the Lock-Up period) is the Net Unit Value less the Sell Spread as at the date the Unit is redeemed.

Restrictions on redemptions

A Trustee may at any time suspend the redemption or issue of Units if:

- it is impracticable or not possible for the Trustee to calculate the Net Unit Value, for example because of closure of, or trading restrictions on, stock or securities exchanges, an emergency or other state of affairs, or on declaration of a moratorium in a country where the Trust invests (or the Trust has exposure to through any derivative in which the Trust invests) or under the Corporations Act;
- there have been or the Trustee anticipates that there will be, redemption requests that involve realising a significant amount of the Fund property and the Trustee considers that if those redemption requests are all met immediately, Investors who continue to hold Units may bear a disproportionate burden of tax or other amounts;
- the Trustee determines that meeting those redemption requests would be to the existing Investors' disadvantage including a material diminution in the value of the Fund property;
- the Trustee reasonably considers that it is in the interests of Investors; or
- it is otherwise legally permitted.

Transfers

Investors may not transfer their Units without the prior consent of the Trustee (which may be withheld in its absolute discretion) and satisfying the conditions under the relevant Trust Deed.

SECTION 9

Taxation

The following is a general summary of the material Australian income tax, GST and stamp duty consequences for Australian resident Investors who acquire and hold Units in one of the Trusts as capital account assets for Australian income tax purposes.

For the avoidance of doubt, this taxation summary does not deal with the position of Investors who acquire Units in the course of carrying on a business of share trading, dealing in securities or otherwise acquire and hold Units as revenue account assets or as trading stock.

This taxation summary does not consider the Australian tax consequences for Investors who are not residents of Australia nor any foreign tax consequences arising from investment into the Trusts. All Investors should seek independent taxation and stamp duty advice specific to their circumstances. The information contained in this summary is necessarily general in nature and is not intended to be definitive advice for Investors.

The taxation summary is based on the relevant taxation and duties laws and practice in effect at the date of this Information Memorandum. Accordingly, future amendments to the *Income Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth), and related acts (together, the '**Tax Acts**'), duties legislation, regulations and ATO and state revenue rulings or changes in the administration of the Tax Acts (including as a result of judicial decisions), which may also have retrospective effect, may impact on the comments made.

The Trustees do not accept any responsibility for any taxation implications arising from subscribing for, holding, redeeming and selling of Units.

1. Taxation of the Trusts

1.1. Characterisation of the Trusts

It is intended that each Trust will meet the requirements to qualify as a MIT and will make an election to be an Attribution MIT ('**AMIT**').

The tax treatment described in Section 2.1 below is on the basis that each of the Trusts will qualify (and remain qualified) as a MIT and that the Trustee of each Trust will elect into the AMIT regime.

The implications of a Trust not qualifying as a MIT and of being a public trading trust are outlined in Section 2.1 below.

2. Taxation of Australian Resident Investors in the Trusts

2.1. Distributions from the Trusts

On the basis that the Trusts elect into the AMIT regime, Investors who are residents of Australia for income tax purposes will be subject to tax on their share of the net income and net capital gains of the Trusts that are attributed to them on a fair and reasonable basis by the Trustee of the relevant Trust in accordance with the relevant Trust deed.

Investors will annually receive an AMIT Member Annual ('**AMMA**') Statement detailing the amount and components of the taxable income of the Trust (including any interest, dividend, net capital gain and discount capital gain) that Investors will be assessed on each year, as well as the net annual cost base adjustment in respect of their Units in the Trust.

Depending upon the amounts of the components attributed to resident Investors and the distributions made by the relevant Trust, the cost base and reduced cost base of Investors' Units may be adjusted upwards or downwards.

Certain Investors (i.e. Australian resident individuals, trustees or complying superannuation entities) should be entitled to apply discount CGT treatment to distributions of discount capital gains where the Trust has held the asset for more than 12 months. The applicable CGT discount rate is 50% (for individuals and trusts), and 33⅓% (for complying superannuation entities). Companies are not entitled to the CGT discount treatment. Companies are not entitled to the CGT discount treatment.

In this regard, the Trustees intend to make an irrevocable capital account election to treat gains and losses made from the disposal of certain assets (referred to as "covered assets") as capital gains and losses for tax purposes. Covered assets include shares in companies, units in unit trusts and options over the same.

Where a non-covered asset is held by a Trust on revenue account, the profit on disposal will be taxable as ordinary income of the Trust rather than as a capital gain.

Where the cash distribution in an income year exceeds the taxable income of the Trust allocated to an Investor, the excess is a tax-deferred distribution that is not assessable to the Investor. However, the tax-deferred distribution should reduce the cost base of the Units for the purposes of determining any capital gains tax liability on subsequent disposal or redemption of the Units. Where the tax-deferred distributions exceed the cost base of the Units, a capital gain may arise for the Investor. Certain Investors (i.e. individuals, trustees or complying superannuation entities) who have held the relevant Units for at least 12 months may be eligible for a CGT discount where the relevant requirements are satisfied.

Where the cash distribution in an income year is less than the taxable income of the Trust allocated to an Investor, the amount of the shortfall should be added to the Investor's cost base in the Investor's units in the Trust.

In the event that any of the Trusts are in a net tax loss (or net capital loss) position, the losses will remain in that Trust and can be carried forward to offset future taxable income (or future capital gains in the case of net capital losses) of that Trust. However, that Trust's ability to use any carry forward losses will be subject to the application of the relevant trust loss rules.

If a Trust receives franked dividends, Australian resident Investors should be entitled to the benefits of the attached franking credits when the Fund attributes that income provided the Trust is a 'qualified person' in relation to the dividend (i.e. the Fund has owned the underlying investment 'at risk' for 45 days). In that event, Australian resident Investors should include the amount of the dividend and franking credits attributed to them in their assessable income and be entitled to a tax offset equal to the amount of the franking credits, unless the Commissioner makes a determination that the Investor is not a 'qualified person'.

2.2. Disposal of Units

For CGT purposes, a sale or redemption of Units by an Investor will be a CGT event for the Investor. To the extent that the disposal proceeds exceed the cost base of the Units, the excess will constitute a capital gain on which the Investors may be liable for tax. In the case of a redemption, the amount of the capital gain can be reduced by that part of the redemption amount which relates to income of the Trust allocated to the Investor. Conversely, a capital loss will arise on a disposal of the Units equal to the amount by which the sale proceeds are less than the reduced cost base of the Units.

The initial cost base or reduced cost base of the Units should include the amount paid to acquire the Units as well as certain incidental costs associated with the acquisition and disposal of the Units. Cost base and reduced cost base of Units can subsequently change where the cash amount of trust distributions differs from the Investor's allocated share of trust taxable income for a particular income year and various other transactions.

Resident Investors (who are individuals, trusts and complying superannuation entities) may be entitled to CGT discount treatment where the Units have been held for at least 12 months prior to disposal, and the Units are not disposed of under an agreement entered into within 12 months of acquiring the Units.

3. Implications if a Trust does not qualify as a MIT

If a Trust does not qualify as a MIT and is therefore not eligible to elect into the AMIT regime, unitholders in that Trust will not be subject to tax on an attribution basis as described above. Instead, unless the Trust is a public trading trust (see paragraph 4 below) Investors in that Trust will be assessed on their proportionate share of the taxable income (including capital gains) of that Trust for the particular income year based on the share of the distributable income of the Trust to which they are 'presently entitled'. Certain Investors may be eligible for a CGT discount on distributions of capital gains provided that the Trust has held the relevant capital asset for at least 12 months.

Where the cash distribution in an income year exceeds the taxable income of a Trust allocated to an Investor, the excess is a tax-deferred distribution that is not assessable to the Investor. However, the tax-deferred distribution should reduce the cost base of the Units for the purposes of determining any capital gains tax liability on subsequent disposal or redemption of the Units.

Where the cash distribution in an income year is less than the taxable income of a Trust allocated to an Investor, there is no increase in the cost base of the Investor's Units.

If a Trust does not qualify as a MIT and is therefore not eligible to elect into the AMIT regime, that Trust will not automatically be deemed to be a fixed trust. This has potential adverse implications including for the flow through to Investors of franking credits on franked dividends received by the Trust and the carry forward and utilisation of tax losses of a Trust. Based on past practice, there is a reasonable prospect that the Commissioner would exercise his discretion to treat Investors as having a vested and indefeasible interest in each Trust and therefore be a fixed trust. However, this will depend on the particular circumstances of the relevant Trust at that time.

Where a Trust is not a MIT, its Trustee will not be eligible to make the capital account election. Therefore, the character of any gain on disposal of an investment will be assessed accordingly to ordinary tax principles and ultimately determined on a case by case basis at the time of disposal.

4. Implications if a Trust is a public trading trust

If a Trust is a 'public trading trust' for Australian tax purposes, the trust will be taxed like a company with its net income and net capital gains taxed at 30%. Distributions of after-tax profits of the Trust may be franked.

A Trust will be a public trading trust for an income year where it is both a 'trading trust' and a 'public unit trust' at any time during that income year.

A Trust will be a 'trading trust' if it carries on or, directly or indirectly, controls a trading business, being a business other than investing in certain securities or investing in land primarily to derive rent.

A Trust will be a 'public unit trust' if it has more than 50 members unless 75% or more of the units in the trust are held by 20 or fewer entities. In determining the number of members of a trust for this purpose, tracing rules apply through fixed trusts, but not complying superannuation funds or discretionary trusts.

5. Tax File Numbers (TFN) and Australian Business Numbers (ABN)

Collection of an Investor's TFN is authorised and its use and disclosure is strictly regulated by the Australian tax laws and the Privacy Act. An Investor may quote a TFN or claim a TFN exemption in relation to their investment in any of the Trusts when completing an Application Form. An Investor may quote an ABN instead of a TFN if it is making the investment in the course of a relevant enterprise carried out by the Investor.

If an Australian resident Investor chooses not to quote a TFN or ABN, or claim a TFN exemption, the Trustee of the relevant Trust will be required to deduct tax at the prescribed rate from that Investor's income distributions. At the date of this Information Memorandum, this was the highest marginal tax rate (45%) plus the Medicare Levy (2%).

6. Stamp Duty for Investors

A liability to Queensland trust acquisition duty may arise for an Investor on a transfer to, issue to or disposal of Units in the Trust (or on an agreement to do these things) where any of the underlying assets of the Trust consist of dutiable property in Queensland (whether held directly or indirectly by the Trust). Any Queensland stamp duty arising on dealings in Units in a Trust will be payable by the Investor.

A liability to duty should not arise for an Investor in any other jurisdiction on a transfer, issue or disposal of Units in a Trust, provided that a single Investor (alone or together with any associates or under associated transactions) does not acquire a significant interest in the Trust. Whether a dutiable 'significant interest' is acquired will also depend on the nature and location of any constructively owned land assets held by the Trust at a particular time and whether the relevant Trust is a 'landholder' for duties purposes in a relevant jurisdiction.

For example, if the Trust is taken to be a 'landholder' in Victoria, a 'significant interest' is 20% or more of the issued Units of the Trust. If the Trust is taken to be a 'landholder' in NSW, a 'significant interest' is 50% or more of the issued Units of the Trust.

7. GST

There should be no GST payable by Investors on the acquisition of units in the Fund. An investor may not be entitled to full input tax credits for GST paid on the acquisition of goods and services (e.g. financial advisory services) relating to dealings in Units. This will depend on the Investor's personal circumstances.

8. Disclaimer

Any information relating to tax contained in this Information Memorandum is for general information purposes only and should not be relied upon as an indication of the particular tax treatment of any prospective investor. The tax treatment of any prospective investor will depend on each person's individual circumstances and may be subject to change in the future.

Prospective Investors should seek independent professional tax and stamp duty advice with regard to the advisability of investing in the Fund in light of their individual circumstances, including the tax consequences in their respective home jurisdictions.

SECTION 10

Conflicts of Interest

The Trustees or Manager may have interests conflicting with the Fund arising in the ordinary course of its business. The Trustees and Manager have documented procedures for the identification, clearance and management of any conflicts of interest. Certain matters at the Trustee Boards will be considered solely by the independent directors such as identifying, assessing and managing conflicts of interest and related party transactions and services.

The information set out below identifies some areas where potential conflicts may arise:

- **Co-investment by the Fund**

  The Fund may participate as a co-investor in transactions that otherwise meet the investment criteria as determined by the Manager. Such co-investments may involve other clients of the Trustees, Manager or third- parties and may occur on terms which are different to the Fund. In addition, the Trustees or Manager may give advice and take action in the performance of its duties to co-investors which differs from advice given and action taken in relation to the Fund.

- **Co-investment by Investors**

  Each Trustee may, but will be under no obligation to, provide an Investor with the opportunity to co-invest in any investment considered by the Fund (or a relevant Trust). The Trustees may offer all or part of such co-investment to a party who is not an Investor. Key individuals or management teams that have been instrumental in securing and supporting a transaction may also have a co-investment right. Each Trustee will not be required to account to the relevant Trust for any co-investment fees earned by it or any associate.

- **Other clients of the Manager**

  The Manager does not act exclusively for the Fund. The Manager may act as the trustee, responsible entity, manager or general partner for a number of clients and has fiduciary obligations and duties in relation to each of those clients that are similar to its obligations and duties in relation to the Fund.

  Other clients may co-invest with the Fund, on terms which may be different to those offered to the Fund having regard to the various matters including the size and nature of the investment and differing investment objectives and strategies.

  The Manager may give advice and take action in the performance of its duties for other clients which differ from advice given and action taken in relation to the Fund or its assets.

SECTION 11

Risk Factors

Investment in the Fund entails a high degree of risk and is suitable only for sophisticated investors who understand fully and are capable of assessing the risks of a fund of this nature.

Prospective investors should consider carefully the following factors (amongst others) in making their investment decision.

These risk factors do not purport to be a complete explanation of the risks involved in investing in the Fund. Prospective investors must read the entire Information Memorandum including all attachments and must consult their own professional advisors, before deciding to invest in the Fund.

- **Past performance**

  The performance of previous funds in which the Manager or its principals have been involved cannot be relied upon in assessing the merits of the Fund.

- **Reliance on the Manager and its investment team**

  Investors will have no opportunity to control the day-to-day operations, including investment and divestment decisions, of the Fund. They must rely on the ability of the Manager in identifying, structuring, developing and realising potential investments consistent with the Fund's investment objectives and policies.

  While it is the intention for the Manager to create and maintain a stable investment team, certain members could leave or become incapacitated which may result in a loss of capital for investors.

- **Liquidity**

  Investing in the Fund requires a long-term commitment from Investors, with no certainty of return. Some of the Fund's investments will be highly illiquid. Consequently, realisation of those investments may require a lengthy time period. There is a risk that market conditions might change before realisation of those investments can take place.

  There are also restrictions on redemptions and transfers of interests in the Fund, which makes an investment in the Fund illiquid. There is a risk that Investors will not be able to exit the Fund at the time of their choosing.

- **Inability to source investment opportunities**

  The success of the Fund will depend on the identification and availability of suitable investment opportunities. There is a risk that there may be a lack of suitable investment opportunities for the Fund to invest in, given the Fund's investment philosophy and strategy. This risk is affected by a number of factors including the size of the Fund and the availability of opportunities for investment, within the Fund's intended investment markets.

- **Due diligence**

  Some investments may be made based on limited due diligence and on publicly available information. This may increase the risks to the Fund associated with those investments.

- **Investment failure**

  One or several of the Fund's investments could suffer financial hardship and/or fail. This may lead to a loss of some or all of the capital for Investors.

- **Investment values rise and fall**

  Interests in the Fund are valued according to the market value of the underlying assets to which they correspond. The value of these assets will rise and fall over time. Ultimately though an Investor's return from the Fund will be determined by distributions received from time to time and upon the Fund actually realising its investments through on-market sales, trade sale, IPO or other exit of the underlying investments. For Investors, the return on investment will depend on the success of the Fund's investments, and there can be no assurances that they will generate target returns. Neither the Manager nor any other entity guarantees any particular rate of return being earned by the Fund or the return of capital.

- **Variable distributions**

  Distributions will vary from time to time depending on distributions received from underlying investments and whether exits can be achieved.

- **Economic and political risk**

  In the course of investing, the Fund will be exposed to the direct and indirect consequences of political, economic or social changes in the investment region that could affect adversely its investments. The investments could be affected adversely by changes in the general economic climate or the economic factors affecting a particular industry, changes in tax law or interest rate movements. While the Manager intends to manage or delegate management of the Fund's assets in a manner that will minimise its exposure to such risks, there can be no assurance that adverse political or economic changes will not cause the Fund to suffer losses.

- **Legal, tax and regulatory risks**

  Legal, tax and regulatory changes in the Australian and New Zealand investment environment or otherwise, may occur during the term of the Fund which could have an adverse effect on the Fund. The Fund may not be in a position to take legal or management control of its investments. The Fund may have limited legal recourse in the event of a dispute, and remedies may have to be pursued in the courts.

- **Country and currency**

  Certain investments of the Fund may be in countries outside of Australia. Foreign investments are subject to additional risks not involved in domestic investments. The value of foreign investments made by the Fund could be materially affected by inflation, currency devaluation, interest rate changes, exchange rate fluctuations, changes in government policies, more volatile and less liquid capital markets, different business environments, natural disasters, armed conflicts, political or social instability and other developments affecting such countries.

  Final returns calculated in Australian dollars will be impacted by currency fluctuations where the Fund invests in businesses with company revenues and costs denominated in currencies other than Australian dollars.

- **Derivatives**

  The Manager will evaluate the foreign exchange exposure of the Fund and may undertake hedging transactions that aim to minimise the impact of any substantial movements in exchange rates on the value of the Fund's assets. However, there is no assurance that the hedging strategy will be successful or that currency risks will be mitigated. It may not be possible or practicable to hedge successfully against currency exposure in all circumstances. The cost of hedging is an expense that is borne by the Fund.

- **Performance fee**

  The existence of performance fees may create an incentive for the Manager to make riskier investments than might otherwise be the case.

- **Liability**

  The Trust Deeds contain provisions that are designed expressly to limit the liability of Investors, in their capacity as investors in the Fund, to the amount of their respective capital commitments. There can be no absolute assurance that the liability of Investors will be limited as intended by those provisions as the ultimate liability of Investors rests with the courts. Each Investor must satisfy itself as to the risks of the limitation and to its liability as an Investor in the Fund.

- **Indemnity**

  The Fund will provide an indemnity to certain indemnified persons (**Indemnified Persons**) in respect of any claims, losses, liabilities, costs or expenses incurred in connection with the Fund (to the extent that it is not the result of gross negligence, wilful misconduct or fraud by the Indemnified Person), which may result in a loss of capital for investors.

- **Investor change of status**

  The Manager has certain rights to require an Investor to dispose of its interests in the Fund, including where continuing participation by the Investor in the Fund becomes unlawful.

- **Concentration risk**

  The Fund may invest a relatively high percentage of its capital in a limited number of securities, or in securities in a limited number of sectors, which may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than the investments of a more diversified investment portfolio.

- **Leverage**

  The Fund may use limited leverage at the Fund level to, among other things, bridge an acquisition in the short term or to provide liquidity. In addition, it is intended that the Fund use leverage on specific or pooled investments of the Fund to enhance Fund returns.

  Leverage involves a degree of financial risk and may increase the exposure of the Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying Fund investments.

  The assets of the Fund, may be, in whole or in part, offered as security for such leverage. To the extent that the Fund is unable to meet obligations under the leverage facility, there is therefore a risk that Fund capital may be used to repay leverage.

- **Tax**

  Taxation laws and their interpretation may change during the life of the Fund, which may result in the Fund structure being unattractive or inefficient for some or all Investors.

  Investors should seek their own taxation advice before deciding whether or not to invest.

  It is intended that each Trust will be a 'flow through' trust for Australian income tax purposes and that each Trust will qualify as a Managed Investment Trust ('**MIT**'). The income tax treatment of the Trusts and Investors is set out in Section 9 of this Information Memorandum. However, if a Trust becomes a 'trading trust' different tax consequences could result.

  A Trust will be a 'trading trust' if it carries on or, directly or indirectly, controls a trading business, being a business other than investing in certain securities or investing in land primarily to derive rent. In that case, the Trust will not qualify as a MIT. In addition, if a Trust is also a public unit trust, then the Trust will be treated as a company for tax purposes. A Trust will be a public unit trust, broadly, if it has more than 50 members.

SECTION 12

Additional Information

12.1 Anti-Money Laundering

In accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**), the Manager and/or the relevant Trustee are required to identify and verify the identity of prospective investors and Investors. In order to do this, the Manager and/or the relevant Trustee must collect certain information (and documentation) from each investor in relation to their identity, source of funding and purpose when they invest in the Fund. If a prospective investor or Investor does not provide this information to the Manager and/or the relevant Trustee, the investor's application will not be processed and the investor's application money returned to it. In these circumstances, the Manager and/or the relevant Trustee will not be liable to the investor for any resulting loss (including consequential loss) as a result of the Manager and/or the Trustee's compliance with the AML/CTF Act. The Manager and/or the relevant Trustee may be required to collect further information from Investors in accordance with ongoing customer due diligence obligations under the AML/CTF Act.

The Manager and/or the relevant Trustee are obliged under the AML/CTF Act to take and maintain copies of any information/documentation collected from an investor and, in certain circumstances, may be required to disclose said information to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) or other government bodies. The Manager and/or the relevant Trustee may be prohibited from informing an investor of such disclosure. Aside from disclosures permitted or required under the AML/CTF Act, the Manager and/or the relevant Trustee will keep investors' information confidential in accordance with relevant legislation.

By applying for Units, investors are acknowledging that the Manager and/or the relevant Trustee may, in their absolute discretion, not issue Units to investors, cancel any Units previously issued to investors, delay, block or freeze any transaction or redeem any Units issued to investors if the Manager and/or the relevant Trustee believes it necessary in order to comply with AML/CTF legislative obligations. In these circumstances, the relevant Trustee, Manager or their affiliates will not be liable to for any resulting loss.

12.2 Privacy

The Application Form for the Fund requires Investors to provide personal information. The Manager, a Trustee and their affiliates may collect, hold and use personal information in order to assess an investor's application, service its needs as its client or investor, provide facilities and services to the Investor, the Manager or the Fund and for other purposes permitted under the *Privacy Act 1988* (Cth) (**Privacy Act**).

By applying to invest in the Fund, the prospective Investor consents to personal information being used and disclosed by the Trustee and the Manager for the purposes permitted under the Privacy Act, unless the prospective Investor has instructed the Manager in writing to do otherwise.

Taxation and company law may also require some of the information to be collected in connection with the Application Form. Access to information may also be provided to associates, Related Bodies Corporate, agents and service providers of the Trustee, Manager or their associates on the basis that they deal with such information in accordance with the Privacy Act. If an Investor does not provide the information requested, its application may not be processed. If an Investor is admitted, its information may also be used or disclosed from time to time to notify it about products or services that the Manager thinks may be of interest to the Investor unless the Investor informs the Manager that it does not want its personal information to be used for this purpose.

Your information may also be disclosed to members of each of the Trustees', the Manager's or the Administrator's group of companies and to their agents and service providers on the basis that they deal with such information in accordance with the Trustees', the Manager's or the Administrator's (as applicable) privacy policy. Each Trustee and the Manager do not currently transfer your personal information overseas. If your personal information is transferred overseas in the future you will be notified through an amendment to the privacy policy.

Each Trustee, Manager or Administrator may need to disclose information about you to government entities and regulators as required by law.

Under the Privacy Act, an Investor may request a copy of the personal information held by or on behalf of the Fund by contacting the relevant Trustee or the Manager. Prospective Investors and Investors should contact the Manager if they have concerns about the completeness or accuracy of the information a Trustee or Manager have about it or would like to access or amend its personal information held by a Trustee or Manager (or the relevant service provider).

12.3 Foreign Account Tax Compliance Act (FATCA)

The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Fund to report certain information to the Australian Taxation Office (**ATO**), which may then pass the information on to the US Internal Revenue Service (**IRS**). If you do not provide this information, we will not be able to process your application.

To comply with these obligations, the relevant Trustee, Manager or Administrator will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund.

12.4 Common Reporting Standard

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (**CRS**) from 1 July 2017. CRS, like the FATCA regime, will require banks and other financial institutions to collect and report to the ATO.

CRS will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. For the Fund to comply with its obligations, the relevant Trustee will request that you provide certain information and certifications to it. The relevant Trustee or Administrator will determine whether the Fund is required to report your details to the ATO based on its assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the 'CRS Competent Authority Agreement', the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the *Taxation Administration Act 1953* of Australia to give effect to the CRS.

12.5 Jurisdictional considerations

Australia

This Information Memorandum is not a Disclosure Document or Product Disclosure Statement (nor any similar disclosure document under any applicable law). It is not required to, and does not, contain all the information which would be required in a Disclosure Document or Product Disclosure Statement, or all the information that a prospective investor may desire or should obtain in order to make an informed investment decision. The Fund is not registered as a Managed Investment Scheme under the Corporations Act.

New Zealand

Offers of the interests in the Fund in New Zealand are only being made to investors such that the offer does not require a prospectus under the New Zealand Securities Act 1978. If you receive this Information Memorandum in New Zealand, you represent and warrant that:

a. you are a person whose principal business is the investment of money or who, in the course of and for the purposes of your business, habitually invests money, within the meaning of section 3(2)(ii) of the New Zealand Securities Act 1978;

b. if you are acquiring the Fund interests for the account of another person, that person falls within the criteria set out in the previous paragraph; and

c. neither you, nor any person on whose account you are acquiring the Fund interests, is or are acquiring those Fund interests for the purposes of resale, other than to a person who fulfils the above criteria. This representation is understood to be a statement of your present intention only and not an undertaking not to sell, particularly where your investment objectives or market conditions change.

SECTION 13

Glossary

The following terms as used in this Information Memorandum should be taken to have the following particular meanings.

Term	Meaning
Administrator	means Alter Domus Australia Pty Ltd.
Administration Agreement	means the agreement between the Administrator and each Trustee as trustee for the relevant Trust under which the Administrator agrees to provide certain administrative and registry services in respect of the Fund.
Application Form	means a deed poll to subscribe for Fund interests, in such form as is required.
Australian Financial Services Licence	means an Australian Financial Services Licence issued by the Australian Securities and Investments Commission under the Corporations Act (Chapter 7).
Business Day	means a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, New South Wales.
Capital Contribution	means an amount paid to a Trust as consideration for the issue of a Unit.
Constituent Documents	means the constituent documents of the Fund, including each Trust Deed, the Management Deed and each Application Form, which contain the details of the rights and obligations of Investors.
Corporations Act	means the *Corporations Act 2001 (Cth)* as amended and associated regulations.
Disclosure Document	has the meaning given in the Corporations Act.
First Close	means 31 August 2022
Fund	means the HMC Capital Partners Fund 1 comprising the Trusts, and any other vehicle established by the Trustees to form part of the Fund.
GST	means the Goods and Services Tax.
HDN	means HomeCo Daily Needs REIT (ASX: HDN).
HCW or **HealthCo**	means HealthCo Healthcare and Wellness REIT (ASX: HCW).
HMC Capital	means HMC Capital Limited (ACN 138 990 593; ASX HMC).

Term	Meaning
Indemnified Person	means each current and former: a. Trustee; b. Manager; c. Licensee; d. appointees pursuant to the Constituent Documents; and e. the Related Bodies Corporate, affiliates, associates, officers, employees, advisers and agents of each of the persons named in (a) and (b).
Information Memorandum	means this document.
Investor	means a person who holds Units.
Licensee	means HMC Capital Funds Management Pty Limited (ACN 154 055 446; AFSL 513 625).
Management Deed	means the agreement between each Trustee as trustee for the relevant Trust and Manager pursuant to which the Manager provides certain investment management services in respect of the Fund.
Manager	means HMC Investment Management Pty Ltd (ACN 644 510 583).
Managed Investment Scheme	has the meaning given in the Corporations Act.
Net Asset Value or **NAV**	means the net asset value of a Trust or the Fund, as the context requires.
Net Unit Value	means NAV divided by the number of Units in a Trust.
Ordinary Resolution	means a resolution passed by a simple majority of votes cast by Investors of a Trust or the Fund (as required under the Trust Deed or this information Memorandum) entitled to vote and who do vote on the resolution.
Product Disclosure Statement	has the meaning given in the Corporations Act.
Related Bodies Corporate	has the meaning given in the Corporations Act.
Special Resolution	means a resolution passed by at least 75% of the votes cast by Investors of a Trust or the Fund (as required under the Trust Deed or this information Memorandum) entitled to vote and who do vote on the resolution.

<table>
<tr><th>Term</th><th>Meaning</th></tr>
<tr><td>Transaction Costs</td><td>means in respect of an application or redemption of Units:
a. any amounts returned to Investors by the Trustees that should be allocated as such in the relevant Trustee's absolute discretion, in order to be fair to all Investors considered together;
b. an estimate by the Trustees of the aggregate of the total transaction costs the Fund would incur to acquire or dispose of (as applicable) the property of the Fund including the incurrence of taxes and losses or impairments;
c. if appropriate having regard to the actual cost which would be incurred because of the issue or redemption of the Units, the relevant Trustee's estimate of a portion of the costs including the incurrence of taxes, which may be zero; or
d. if none of the Trustees make an estimate, zero,
divided by the Units in the applicable Class (prior to the redemption or after the application).</td></tr>
<tr><td>Trust</td><td>means each of:
a. HMC Capital Partners Trust A;
b. HMC Capital Partners Trust B; and
c. HMC Capital Partners Trust C,
and any other trusts established by the Trustees to form part of the Fund.</td></tr>
<tr><td>Trust Deed</td><td>means the deed which constitutes a Trust (as amended from time to time).</td></tr>
<tr><td>Trustee</td><td>means the trustee of a Trust.</td></tr>
<tr><td>Unit</td><td>means an ordinary unit in a Trust.</td></tr>
<tr><td>Valuation Guidelines</td><td>means International Private Equity & Venture Capital Valuation Guidelines adopted as at the date of this deed and the Australian equivalent of the International Financial Reporting Standards or in the absence of such guidelines, those guidelines approved by the Trustees.</td></tr>
</table>

SECTION 14

APPENDIX A: Performance Fee Worked Example

The following examples demonstrate the dollar effect for a hypothetical investor, who has $100,000 invested in a Trust at First Close at a price of $1.00 per unit (total 100,000 units) and assuming no distributions have been paid. Note that there is no Performance Fee payable until 30 June 2024.

First Calculation Period (assumed to be 30 June 2024) • First Calculation Period assumed to occur at 30 June 2024 • The High Water Mark before calculation of the Performance Fee is $1.00 • Net Unit Value (pre Performance Fee) assumed to be $1.30 • Unit Return since last calculation/First Close is therefore $0.30 • Hurdle for the Calculation Period is $0.13 (i.e. return on High Water Mark of $1.00 compounded at 7.0% p.a. over 22 months = $0.13) • The Unit Return in excess of the Hurdle is $0.17	**Outcome:** Performance Fee of $3,356 (excluding GST) is charged (100,000 units x $0.17 x 20% = $3,200) High Water Mark is reset to $1.27 following payment of the Performance Fee
Second Calculation Period (assumed to be 30 June 2025) • The High Water Mark before calculation of the Performance Fee is $1.27 • Net Unit Value (pre Performance Fees) is assumed to be $1.35 • Unit Return since last calculation is therefore $0.08 • Hurdle for the Calculation Period is $0.09 (i.e. 7.0% p.a. return on High Water Mark of $1.27 over 1 year since last Performance Fee paid = $0.09) • The Unit Return is less than the Hurdle	**Outcome:** No Performance Fee is charged High Water Mark remains at $1.27
Third Calculation Period (assumed to be 30 June 2026) • The High Water Mark before calculation of the Performance Fee is $1.27 • Net Unit Value (pre Performance Fee) is assumed to be $1.60 • Unit Return since last calculation is therefore $0.33 • Hurdle for the Calculation Period is $0.18 (i.e. 7.0% p.a. return on High Water Mark of $1.27 over 2 years since the last Performance Fee was paid = $0.18) • The Unit Return in excess of the Hurdle is $0.15	**Outcome:** A Performance Fee of $3,001 (excluding GST) is charged ($100,000 units x $0.15 x 20% = $3,001) High Water Mark is reset to $1.57 following payment of the Performance Fee

These examples are provided for illustrative purposes only and do not represent any actual or prospective performance of a Trust or the Fund. It is not possible to estimate the actual performance fee payable for any given period as we cannot accurately forecast the Fund's or a Trust's performance. We do not provide any assurance that the Fund or a Trust will achieve the performance used in the example and you should not rely on this in determining whether to invest in the Fund. The example does not account for GST or other taxes (if applicable). Due to rounding, numbers presented in these examples may not calculate precisely.

Definitions

In this Appendix A, capitalised terms which are not defined in the Glossary have the following meaning:

Calculation Period means, in respect of the first Calculation Period, the period between 31 August 2022 and 30 June 2024, and subsequently the 12 month period up to the date on which the Manager may be eligible to be paid a Performance Fee.

Performance Fee is 20% of the Unit Return in excess of the Hurdle.

Net Unit Value means (in the context of this worked example) the Net Asset Value (before Performance Fees but after Management Fees) divided by the number of Units referable to a class of units (as applicable).

Unit Return in respect of each unit in the Fund, is an amount equal to the change in the Net Unit Value (before Performance Fees but after Management Fees) plus any distributions (income and capital) paid or payable to Unitholders since the last time a Performance Fee was payable.

Hurdle is equal to the amount that the Unitholder would need to receive since the last time a Performance Fee was payable (or, in the case of the first Calculation Period, since the date the unit was issued) in order to receive (as at the last day of Calculation Period) a 7% per annum return (compounded annually) relative to the High Water Mark.

High Water Mark means, in respect of a Unit, the previous highest NAV per Unit immediately after payment of a Performance Fee (or if none has been paid in respect of the unit, the initial Issue Price of the unit).

SECTION 15

APPENDIX B: Detailed Management and Board CV's

David Di Pilla
Group Managing Director & CEO

- David led the team that founded and established the consortium to acquire the Masters Home Improvement Portfolio from Woolworths to create HMC Capital in 2017. David is the founder, a Director and the major shareholder of the Aurrum Aged Care Group. From 2014 to 2016, David was also a strategic advisor and Director to operating subsidiaries of the Tenix Group of Companies.
- David has over 20 years of experience in investment banking. From 2004 to 2015, David was Managing Director and Senior Adviser at UBS, Australia and during this time he advised some of Australia's largest corporations on mergers and acquisitions, debt and equity capital market transactions.

Victoria Hardie
Managing Director & CEO HMC Capital Partners

- Victoria joined HMC Capital in 2022 from UBS where she was a Managing Director and co-head of real estate investment banking.
- Victoria has over 15 years of experience in investment banking with UBS. Victoria has broad sector experience across infrastructure, natural resources and real estate M&A. Victoria spent 3 years in New York with UBS as a senior M&A advisor working on a range of transactions.
- Victoria holds a Bachelor of Commerce majoring in Finance and Chinese Studies qualification from University of New South Wales and a Master of Laws (Chinese Political Economy) from Renmin University in China.

Will McMicking
Group Chief Financial Officer

- Will was a part of the team that established HMC Capital and is responsible for overseeing the Finance function across the business.
- Will is a Member of the Institute of Chartered Accountants and has over 15 years investment banking and corporate finance experience having previously held roles at UBS Australia and EY.
- Will holds a Bachelor of Commerce from University of Queensland.

Nicholas Harris
Head of Funds Management

- Nicholas joined HMC Capital in April 2022 from GPT where he was responsible for GPT's funds management activities, including the development of GPT's funds management platform and the creation of new products. He played a key role in the development of GPT Group Strategy and was also responsible for the GPT Group's Capital and Corporate Transactions function.
- During his career, Nicholas' roles have included property and asset management, portfolio management, capital transactions and business development. Nicholas has been involved in the Australian property and property funds management industry for over 30 years, including roles at BT Funds Management Limited and Lend Lease Corporation.
- Nicholas holds a Bachelor of Land Economics from University of Technology, Sydney and postgraduate qualifications in applied finance and investment from Securities Institute of Australia and Advanced Management Program from Harvard Business School.

Misha Mohl
Group Head of Strategy, IR & Research

- Misha joined HMC Capital in 2021 from Goldman Sachs where he was an executive director in the investment banking division. During his time at Goldman Sachs, Misha worked closely with HMC Capital on all of its M&A and capital markets transactions since IPO.
- Misha has over 11 years of experience across investment banking, equities research and corporate strategy roles. Prior to Goldman Sachs, Misha was a senior equity research analyst at Credit Suisse. Prior to that, he held roles at Colonial First State Global Asset Management (CFSGAM) and Stockland Group.
- Misha holds a Bachelor of Commerce from the University of Sydney.

Jamie Sun
Corporate Finance Manager

- Jamie joined HMC Capital in 2019.
- Jamie has 8 years investment banking and corporate finance experience having previously worked at UBS Australia.
- Jamie holds a Bachelor of Commerce and Economics from University of New South Wales.

Jourdon Whitfield-Horesh
Senior Associate

- Jourdon joined HMC Capital in 2020.
- Jourdon has 5 years investment banking and corporate finance experience having previously worked at UBS Australia.
- Jourdon holds a Bachelor of Commerce (Co-op Finance & Banking) from University of New South Wales.

Trustee Board

Jingmin Qian
Independent Non-Executive Director

- Jingmin is a Non-Executive Director (NED) of Abacus Property Group (ABG.AX) and IPH Limited (IPH.AX), a member of Macquarie University Council, and National Vice President of the Australia China Business Council (ACBC). Jingmin is a former trustee director of Club Plus Super until its merger with AustralianSuper in 2022.
- Jingmin has held executive roles with L.E.K. Consulting, Boral Limited and Leighton Holdings, with responsibilities covering strategy, operational improvement, mergers and acquisitions, capital planning, investment review and Asia expansion.
- Jingmin holds a bachelor's degree of Economics from University of International Business and Economics in Beijing and an MBA from Australian Graduate School of Management (AGSM) in Sydney. Jingmin is a CFA Charterholder, a Fellow of the Australian Institute of Company Directors (AICD) and a member of Chief Executive Women Australia.

Fiona Pak-Poy
Independent Non-Executive Director

- Fiona is Chair of Tyro Payments (ASX:TYR), a non-executive director of WiseTech Global (ASX:WTC), Silicon Quantum Computing Pty Ltd and Kain Lawyers Pty Ltd. She is a member of the Business Advisory Council for Anacacia Capital. Fiona has served on the boards of many private, listed and government entities including MYOB, iSentia, Audinate and a number of tech startups.
- Previously Fiona worked for the Boston Consulting Group and was a partner in an Australian venture capital fund. Fiona has an Honours Degree in Civil Engineering from the University of Adelaide and an MBA from Harvard Business School. Fiona is a Fellow of the Australian Institute of Company Directors and a Member of Chief Executive Women.

Dr. Chris Roberts
Independent Non-Executive Director

- Dr Roberts has worked in the medical device industry for over 45 years in a number of senior management positions. He was formerly the CEO of Cochlear from 2004 to 2015, and was director and Executive Vice President of ResMed from 1992 to 2003, and a non-executive director until November 2017.
- Dr Roberts is a Member of the Cochlear Foundation Board, non-executive director of Sigma Healthcare Limited, Clarity Pharmaceuticals Limited, Atmo Biosciences Limited, Nutromics Pty Ltd as well as HealthCo Healthcare & Wellness REIT.

David Di Pilla
Group Managing Director & CEO

- See above for details.

HMC Capital Board

Chris Saxon
Chair

- Chris is a leading Australian lawyer and was, until 2019, a partner with Baker McKenzie. Chris's practice included large-scale mergers and acquisition ('M&A') transactions across a range of sectors, notably energy (gas, electricity, renewable), industrials, infrastructure and mining.
- He has consistently been ranked as one of Australia's foremost project and M&A lawyers and has been lead adviser on government restructuring transactions and privatisations, major trade sales and infrastructure projects. Chris served as Chair of Baker McKenzie Australia for five years (2012-2017) and has held numerous leadership roles within the firm.

David Di Pilla
Group Managing Director & CEO

- See above for details.

Susan Roberts
Non-Executive Director

- Susan is an experienced director and CEO with over 30 years in the financial services, investment and insurance industries. Her current roles include Chair of Audit for AIG Australia and Teachers Health, and she is a Director of Metlife Australia.
- She has a technical actuarial and investment background coupled with risk management, business strategy, governance and stakeholder management skills. Susan has significant commercial and financial executive experience, including CEO and Managing Director of Lazard Asset Management Pacific, and Director, Strategy at Lend Lease Investment Services.
- Susan has previously served as a Non-Executive Director of Maple Brown Abbott, and as Chair of the Audit and Risk, and Claims Committee for Zurich Australia Superannuation. She was also Chair of the Investor Working Group for the 30% Club in Australia. Susan holds a Bachelor of Economics from Macquarie University and is a Fellow of the Actuaries Institute of Australia.
- Susan is the Chair of the Audit and Risk Committee and a member of the Sustainability Committee.

Brendon Gale
Non-Executive Director

- Brendon is a leading Australian sporting administrator and is the current Chief Executive Officer and Executive Director of the Richmond Football Club, one of the largest and most diversified sports businesses in Australia.
- He is also an experienced company director, having previously served on the board of the Victorian Equal Opportunity and Human Rights Commission and is a current director of the Richmond Football Club Ltd and Aligned Leisure Pty Ltd. Brendon is experienced in leading high performing and profitable consumer businesses, operating in multi stakeholder environments, involving significant public investment. He has a proven track record in shaping positive corporate culture and setting the tone from the top through the alignment of purpose, values and strategy.

Kelly O'Dwyer
Non-Executive Director

- Kelly is a Non-Executive Director of HCW Funds Management Limited, EQT Holdings Limited and Barrenjoey Capital Partners Group Holdings Pty Ltd.
- Kelly previously served in the Australian Parliament as a Senior Cabinet Minister holding a number of key economic portfolios including Minister for Jobs and Industrial Relations; Minister for Revenue and Financial Services; Minister for Small Business; and Assistant Treasurer. She also served on the Cabinet's Budget Committee (the Expenditure Review Committee) and held the portfolios of Minister for Women; as well as Minister Assisting the Prime Minister with the Public Service.
- Prior to entering Parliament, Kelly worked in law, government and finance and brings insights across a range of sectors including funds management, superannuation, workplace relations, foreign investment, law and banking.
- Kelly is a member of the School Council at Caulfield Grammar School and a member of the Hospice Rebuild Capital Fundraising Committee for Very Special Kids.

Zac Fried
Non-Executive Director

- Zac worked closely with David Di Pilla and the team who founded and established the consortium to acquire the Masters Home Improvement Portfolio in 2016. Zac is the Executive Deputy Chair of the Spotlight Group ('SGH'). Established in 1973, SGH owns a number of major and iconic Australian retail brands: Spotlight, Anaconda, Mountain Designs and Harris Scarfe.
- He has almost 30 years of retail and property industry experience and a demonstrable track record of successful site identification, property value creation, and the fostering of many longstanding and close lessee relationships.
- Zac is President of the Large Format Retail Association ('LFRA'). LFRA is the preeminent industry association responsible for representing the Australian retail industry interests of operators, investors, property owners, developers and service providers that collectively generate approximately $80 billion or 25% of all retail sales in Australia.

Greg Hayes
Non-Executive Director

- Greg is currently a Non-Executive Director of HomeCo Daily Needs REIT (ASX: HDN); Non-Executive Director of Ingenia Communities (ASX:INA) and Non-Executive Director of Aurrum Holdings Pty Ltd.
- Greg has worked across a range of industries including property, infrastructure, energy and logistics and his skills and experience include strategy, finance, mergers and acquisitions and strategic risk management, in particular in listed companies with global operations.
- Greg was previously CFO and executive director of Brambles Limited, CEO and Group MD of Tenix Pty Ltd, CFO and later interim CEO of AGL, CFO Australia and New Zealand of Westfield Holdings, Executive General Manager, Finance of Southcorp Limited. Greg has also held non-executive director roles at Incitec Pivot Limited and The Star Entertainment Group Ltd.

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