

Distribution Reinvestment Plan Rules

**HMC Capital High Conviction Alternatives Fund
(HHCAF)**

ARSN 666 525 677

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1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in these Rules are set out below.

Term	Meaning
Allocated Units	in respect of a Participant, the Units allocated to the Participant under the DRP.
Allocated or Allocation	the issue of new Units to a Participant under the DRP.
Allocation Price	in respect of an Allocation, the price at which those Units are Allocated, calculated in accordance with rule 10.
Application Price	has the meaning given in the Constitution.
Board	the board of directors of the RE.
Business Day	a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, New South Wales, Australia.
Constitution	the constitution of HHCAF as varied from time to time.
Distribution	any distribution per Unit payable by HHCAF.
Distribution Calculation Date	has the meaning given in the Constitution.
Distribution Payment	for a Unitholder, the relevant Distribution multiplied by the number of Units held by that Unitholder as at the relevant Distribution Record Date, subject to rule 20(d) and less any resident and/or non-resident withholding tax or any other amounts that the RE is entitled or required to deduct from the payment
Distribution Payment	the date on which the Distribution is payable.

Term	Meaning
Date	
Distribution Record Date	close of business on the Distribution Calculation Date.
DRP	HHCAF's distribution reinvestment plan to which these Rules apply, as varied from time to time.
DRP account	the account established and maintained by HHCAF for each Participant under the DRP.
Eligible Unitholder	has the meaning given in rule 3.
Full Participation	has the meaning given in rule 7(b).
HHCAF	HMC Capital High Conviction Alternatives Fund (ARSN 666 525 677).
Last Election Date	the day that is no later than the first Business Day after the Distribution Record Date for a Distribution, or such other date determined by the RE to be the last date to elect to participate in the DRP for a particular Distribution.
Maximum Participating Holding	the number of Units (if any) determined by the RE from time to time under rule 8(c).
Minimum Participating Holding	the number of Units (if any) determined by the RE from time to time under rule 8(a).
Partial Participation	has the meaning given in rule 7(c).
Participant	a Unitholder some or all of whose Units are Participating Units.
Participating Units	Units which a Unitholder has validly elected for participation in the DRP or which are otherwise taken under these Rules to participate

Term	Meaning
	in the DRP.
Participation Notice	a form, whether written or electronic, used to apply for, vary or terminate participation in the DRP, as approved by the RE from time to time.
RE	HMC Capital Investments Limited (ABN 34 606 555 480, AFSL 237257) in its capacity as responsible entity of HHCAF.
Registry	the registry which maintains HHCAF's unit register.
Requirements	the <i>Corporations Act 2001</i> (Cth).
Rules	these rules of the DRP as varied from time to time.
Unit	a fully paid ordinary unit in HHCAF.
Unit Pricing Policy	the unit pricing policy of HHCAF from time to time.
Unitholder	a holder of Units at a relevant Distribution Record Date.

1.2 Interpretation

In these Rules headings are for convenience only and do not affect interpretation, and unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined have a corresponding meaning;
- (d) a reference to a body, whether statutory or not:
 - (1) which ceases to exist; or

- (2) whose powers or functions are transferred to another body,
is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (e) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (f) a reference to dollars or \$ is to Australian currency;
- (g) unless otherwise determined by the Board or specified below in these Rules, a reference to a price is to the relevant dollar amount rounded in accordance with the Unit Pricing Policy;
- (h) all references to time are to Sydney time;
- (i) references to actions taken by HHCAF are to actions taken by the RE in its capacity as responsible entity of HHCAF;
- (j) any action required or permitted to be taken by HHCAF or the RE may be taken by the Board, or by a person or persons to whom the Board has delegated its powers, discretions or functions under the DRP, and any action required or permitted to be taken by the Board may be taken by a person or persons to whom the Board has delegated its powers, discretions or functions under the DRP.

2 Commencement of the DRP

The DRP and these Rules will commence operation on the date these Rules are adopted by the Board or (if relevant) such other date as the Board in its sole discretion determines.

3 Eligibility to participate

- (a) The RE may from time to time invite Unitholders to participate in the DRP.
- (b) Participation in the DRP is subject to these Rules.
- (c) Participation in the DRP by Eligible Unitholders:
 - (1) is optional and voluntary;
 - (2) is not transferable; and
 - (3) may be varied or terminated at any time in accordance with rule 14.
- (d) Subject to rules 3(e) and 3(f), an **Eligible Unitholder** is, in respect of a particular Distribution Record Date, a person who, at that Distribution Record Date, was recorded in HHCAF's unit register as a registered holder of Units (being at least the Minimum Participating Holding (if any)) and whose address in HHCAF's unit register at the relevant Distribution Record Date:
 - (1) is in Australia; or
 - (2) is in New Zealand, provided that at the time the Allocation Price is set, the RE has no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable

price of the Units if the information were publicly available. For the purposes of the foregoing, information relating to Units is '*publicly available*' if the document or information is available, free of charge:

- (A) on the HHCAF website maintained by, or on behalf of, the RE in a way that ensures—
 - (i) that the document or information, or a link to the document or information, is prominently displayed on the HHCAF website either on the home page or on an investor or a scheme section of the site; and
 - (ii) that the home page prominently displays a link to the investor or scheme section of the site (if the document or information is displayed on that section of the site); and
 - (iii) that members of the public (or members of the section of the public to which the document or information is applicable) can easily access the document or information at all reasonable times; and
 - (B) in hard copy, on request to the RE; or
- (3) is in a jurisdiction in which the Board is satisfied that the offer and issue or transfer of Units under the DRP is lawful and practicable, provided that the Board may determine that:
- (4) a Unitholder, or a class of Unitholders, are not Eligible Unitholders if they are, or hold Units on behalf of other persons who are, resident outside the jurisdictions mentioned in paragraphs (1) and (3) above; and
 - (5) a Unitholder, or a class of Unitholders, are Eligible Unitholders notwithstanding that they are resident outside the jurisdictions mentioned in paragraphs (1) and (3) above.
- (e) The Board is entitled to make a final determination as to whether or not any particular Unitholder is an Eligible Unitholder for the purposes of these Rules, and to change any such determination, as and when it sees fit (provided that if a Unitholder is resident in New Zealand at a Distribution Record Date, the Board cannot determine that the person is not an Eligible Unitholder in respect of that Distribution Record Date). In making a determination under this rule, the Board may consider, among other things, whether such participation would or may be impracticable, impossible or illegal and any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.
- (f) The Board has the discretion to refuse to accept any person's Units for participation in the DRP and to suspend or withdraw any person's Units from participation (including declining to issue or transfer or reducing the issue or transfer of Units under the DRP to a Participant) if the Board considers that the participation of those Units might:
- (1) breach any law of Australia including the *Foreign Acquisitions and Takeovers Act 1975* (Cth) or the Constitution; or
 - (2) prejudice the effective operation of the DRP; or

- (3) be undesirable or impractical.
- (g) It is the responsibility of each Unitholder to obtain any necessary approvals to enable that Unitholder to participate in the DRP.

4 Multiple holdings

- (a) Where an Eligible Unitholder has more than one holding of Units:
 - (1) each holding will be treated as separate for the purposes of the DRP, such that a separate Participation Notice must be lodged with respect to each separate holding that is to participate; and
 - (2) these Rules will apply as if each such holding were held by a separate Participant,unless the Board determines otherwise.
- (b) Without limiting paragraph (a) above, the Board is entitled (but not obliged) to refuse an Eligible Unitholder participation in the DRP where that Unitholder has, in the opinion of the Board, split a unitholding or acquired Units as part of such a split, in order to increase the number of Units that may be acquired by that Unitholder or another person under this DRP.
- (c) Unless the Board determines otherwise, if Units are jointly held by two or more Eligible Unitholders, all joint holders of such Units must sign a single Participation Notice for it to be valid. If one or more of the joint holders of the Units is not an Eligible Unitholder, none of the joint holders can apply to participate in the DRP with respect to the Units jointly held.

5 Trustee or nominee accounts

If:

- (a) a unitholding account appearing in HHCAF's unit register relates to a:
 - (1) trustee; or
 - (2) nominee; and
- (b) the trustee or nominee notifies the RE:
 - (1) that the relevant Units are held for a number of different persons; and
 - (2) specifies the number of Units held for each of such persons as at a particular Distribution Record Date (although the names of such persons need not be specified),

then the RE may determine that each such holding shall, as at that Distribution Record Date, be taken to represent a separate Unitholder for the purpose of the Minimum Participating Holding (if any) and the Maximum Participating Holding (if any), and these Rules will be read and interpreted accordingly.

6 Application to participate

- (a) Subject to an overriding discretion of the RE, an application to participate in the DRP must be made by submitting a Participation Notice in accordance with rule 19. An Eligible Unitholder's participation in the DRP will take effect in accordance with rule 19(b).
- (b) A Participation Notice validly submitted or otherwise accepted by the RE remains in effect until:
 - (1) the Participant varies or terminates participation in the DRP under these Rules;
 - (2) the RE terminates the DRP under rule 16; or
 - (3) the Participant ceases to be an Eligible Unitholder under rule 3.

7 Extent of participation

- (a) Participation may be either full or partial. A Participation Notice must specify whether the Unitholder has elected Full Participation or Partial Participation, and if Partial Participation is elected, the Participation Notice must clearly specify the number of Units that are to be Participating Units.
- (b) **Full Participation** means that all Units registered in the Participant's name from time to time (subject to the Maximum Participating Holding (if any)) are Participating Units. Where a Unitholder has elected Full Participation, all Units subsequently acquired and held by that Participant (whether under the DRP or otherwise) will be Participating Units, subject to:
 - (1) the Requirements;
 - (2) any later Participation Notice submitted by that Participant; and
 - (3) the Maximum Participating Holding (if any).
- (c) **Partial Participation** means that only the number of Units specified as participating in the Participation Notice by the Unitholder are Participating Units (subject to the Maximum Participating Holding (if any)). However, if at the relevant Distribution Record Date the number of Units held by the Participant is less than the specified number of Units, the DRP applies to the lesser number of Units (and the Participant is deemed to have lodged a Participation Notice to this effect for the relevant Distribution). This means that, where a Unitholder has elected Partial Participation, Units in excess of the number specified as participating that are subsequently acquired by that Unitholder (whether under the DRP or otherwise), will not participate in the DRP unless that Unitholder submits a further Participation Notice in accordance with rule 14.
- (d) If a Participation Notice does not, in the opinion of the RE, clearly indicate the level of participation in the DRP, it will be deemed to be an application for Full Participation.
- (e) The Board, the RE, HHCAF, the Registry and any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (and where relevant their respective officers, employees, agents and advisers) shall not be liable to any Eligible Unitholder for any loss, damage or claim in respect of that Eligible Unitholder's participation as a result of the operation of rules 7(b), (c) or (d).

8 Minimum Participating Holding and Maximum Participating Holding

- (a) The RE may determine a minimum permitted number of Participating Units per Participant (whether in respect of a particular Distribution or Distributions generally) from time to time by notification on HHCAF's website.
- (b) To the extent that a Participation Notice has specified a number of Participating Units less than a prevailing Minimum Participating Holding (including an election of Full Participation where the number of Participating Units would otherwise be less than that limit), for so long as the Minimum Participating Holding applies:
 - (1) the number of Participating Units for that Participant for the purposes of these Rules is deemed to be zero; and
 - (2) any Units specified in the Participation Notice as Participating Units are deemed not to be Participating Units, and any Distribution payable in respect of them will be paid by HHCAF in accordance with its usual arrangements for the payment of Distributions.
- (c) The RE may determine a maximum permitted number of Participating Units per Participant (whether in respect of a particular Distribution or Distributions generally) from time to time by notification on HHCAF's website.
- (d) To the extent that a Participation Notice has specified a number of Participating Units in excess of the prevailing Maximum Participating Holding (including an election of Full Participation where the number of Participating Units would otherwise exceed that limit), for so long as the Maximum Participating Holding applies:
 - (1) the number of Participating Units for that Participant for the purposes of these Rules is deemed to be the Maximum Participating Holding; and
 - (2) any Units specified in the Participation Notice as Participating Units in excess of the Maximum Participating Holding are deemed not to be Participating Units, and any Distribution payable in respect of them will be paid by HHCAF in accordance with its usual arrangements for the payment of Distributions.

9 Reinvestment of Distributions and residual balances

- (a) Each Distribution Payment payable to a Participant in respect of Participating Units will be applied by the RE on the Participant's behalf in acquiring additional Units by issue in accordance with these Rules.
- (b) A Distribution payable in respect of Participating Units is not available for reinvestment under the DRP to the extent that the RE is entitled to and does retain or otherwise deals with the Distribution in accordance with its Constitution or any legal requirements (including withholding tax).
- (c) The RE will establish and maintain a DRP account for each Participant. In respect of each Distribution payable to a Participant, the RE will:
 - (1) determine the Distribution Payment in respect of that Participant's Participating Units;

- (2) credit the amount in rule 9(c)(1) to the Participant's DRP account, and that payment constitutes payment of the Distribution on the Participant's Participating Units;
 - (3) determine the maximum number of additional Units which may be acquired under the DRP at the Allocation Price by dividing the amount in the Participant's DRP account by the Allocation Price and rounding that number down to the nearest 2 decimal places;
 - (4) on behalf of and in the name of the Participant, subscribe for the number of Units determined under rule 9(c)(3) and debit the Participant's DRP account with the total of the price for the Allocated Units; and
 - (5) retain in the Participant's DRP account, without interest and on the terms set out in these Rules, any cash balance remaining (rounded down to the nearest cent) unless and until the cash balance is applied in accordance with these Rules.
- (d) Subject to rule 9(e), any residual balance in a Participant's DRP account will be aggregated with any further Distribution Payment credited to the Participant's DRP account.
- (e) Where:
- (1) the DRP is suspended or terminated by the RE pursuant to these Rules; or
 - (2) the Participant ceases to participate in the DRP for whatever reason, any positive residual balance in the Participant's DRP account will be paid to the Participant (unless, in the case of a suspension, the balance is less than \$5.00, in which case it will be carried over until such time, if any, as the DRP is terminated or the relevant Participant requests payment).

10 Price of Units

Units are Allocated under the DRP at the Application Price determined by the RE in accordance with the Constitution as at the date the Units are issued.

11 Allocation of Units

- (a) The RE will issue new Units to satisfy the RE's obligations under these Rules and the Units will be issued on the terms set out in these Rules.
- (b) All Units newly issued under the DRP will, from the date of Allocation, rank equally in all respects with existing Units.

12 DRP statements

On, or as soon as practicable after, each Distribution Payment Date, the RE must forward to each Participant a statement in a form determined by the RE and setting out relevant details (as determined by the RE) of their participation in the DRP.

13 The effect of applying for participation

By applying to participate in the DRP, the Unitholder:

- (a) warrants to the RE that it is an Eligible Unitholder;
- (b) acknowledges that Distributions reinvested under the DRP will be assessable for applicable income tax in the same way as cash Distributions;
- (c) authorises the RE (and its officers or agents) to correct any error in, or omission from, any other notice or application contemplated by rule 19 (including, but not limited to, a Participation Notice);
- (d) acknowledges that the RE may at any time irrevocably determine that the Unitholder's Participation Notice is valid, in accordance with these Rules, even if the Participation Notice is incomplete, contains errors or is otherwise defective;
- (e) acknowledges that the RE may reject any Participation Notice;
- (f) consents to the establishment of a DRP account on its behalf;
- (g) consents to any entitlement to a fraction of a Unit produced by the calculation in rule 9(c) being dealt with in accordance with rule 9;
- (h) acknowledges that neither the Board, the RE, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers) has provided the Unitholder with investment advice, financial product advice or any securities recommendation concerning its decision to apply to participate in the DRP and that neither has any obligation to provide any such advice or recommendation;
- (i) acknowledges that neither the Board, the RE, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers) will be liable or responsible to the Unitholder for any loss or disadvantage suffered or incurred by the Unitholder as a result, directly or indirectly, of the establishment or operation of the DRP or participation in the DRP or in relation to any advice given with respect to participation in the DRP; and
- (j) unconditionally agrees to the Rules and agrees not to do any act or thing which would be contrary to the spirit, intention or purpose of the DRP or the Rules,

in each case, at all times until termination of the DRP or the cessation of the Participant's participation in the DRP.

14 Variation or termination of participation

- (a) A Participant may at any time give notice to the RE (via the Registry using the Participation Notice) of the Participant's decision to:
 - (1) increase or decrease the number of Units participating in the DRP; or
 - (2) terminate the Participant's participation in the DRP.The alteration or termination takes effect in accordance with rule 19.
- (b) If a Participant increases its level of participation to Full Participation, rule 7(b) applies.
- (c) If a Participant decreases its level of participation or increases its level of participation to a level below Full Participation, rule 7(c) applies.
- (d) If a Participant dies, participation in the DRP terminates upon receipt by the RE of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the DRP terminates upon receipt by the RE of a notification of bankruptcy or winding-up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding-up of one or more joint holders does not automatically terminate participation provided the remaining holder or all remaining joint holders are Eligible Unitholders.
- (e) Upon termination of participation for whatever reason (including termination of the DRP under rule 16), the RE must forward, unless otherwise directed, to the Participant a statement of the Participant's DRP account made out to the date of termination.

15 Reduction or termination of participation where no notice is given

- (a) Where all of a Participant's Units are Participating Units and the Participant redeems or otherwise disposes of some (but not all) of those Units, then subject to rule 14(a), the remaining Units held by the Participant continue to be Participating Units.
- (b) Where only some of a Participant's Units are Participating Units and the Participant redeems or otherwise disposes of part of the Participant's total holding, then the Units redeemed or otherwise disposed of are deemed not to be Participating Units. If the number of Units redeemed or otherwise disposed of is more than the number of the Participant's Units not participating in the DRP, the redemption or disposal is deemed to include all the Participant's holding not participating in the DRP, and the balance (if any) will be attributed to Participating Units.
- (c) Where a Participant redeems or otherwise disposes of all its Units, the Participant is deemed to have terminated participation in the DRP with respect to the holding on the date a transfer or instrument of disposal of the Participant's holding was registered.

16 Variation, suspension and termination of the DRP or these Rules

- (a) The DRP or these Rules may be varied, suspended or terminated by the RE at any time by notification on HHCAF's website. For the avoidance of doubt, where the RE has announced that the DRP will operate in respect of a Distribution, the RE retains the discretion to suspend the DRP in respect of that Distribution at any time prior to the Distribution Payment Date.
- (b) The variation, suspension or termination takes effect upon the date specified by the RE and the variation, suspension or termination does not give rise to any liability on the part of, or right of action against, the Board, the RE, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers).
- (c) If the DRP or these Rules are varied, a Participant continues to participate under the DRP and these Rules in their varied form unless the Participant terminates its participation in the DRP by submitting a Participation Notice in accordance with these Rules.
- (d) If the DRP is suspended, an election as to participation in the DRP will also be suspended and all Units are deemed to be non-Participating Units for the purpose of any Distribution paid while the DRP is suspended.
- (e) Any suspension under rule 16(d) will continue until such time as the Board resolves to recommence or terminate the DRP.
- (f) The DRP may be reinstated following a suspension in accordance with this rule 16 by notification on HHCAF's website. Upon reinstatement of the DRP, all prior elections will be reinstated and will continue to apply until a new valid Participation Notice is lodged, unless the RE determines otherwise.

17 Costs to Participants

No fees are payable by Participants in respect of Units Allocated under the DRP.

The RE may, to the extent permitted by law, apply its funds in the payment of commission or other transaction costs in respect of Units Allocated under the DRP.

18 Taxation

Neither the Board, the RE, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers):

- (a) takes any responsibility or assume any liability for, or as a consequence of, the tax liabilities of any person in connection with the DRP; or
- (b) represents or warrants that any person will gain any taxation advantage or will not incur a taxation liability or disadvantage as a result of participation in the DRP.

19 Applications and other notices

- (a) Applications and notices to the RE must be in the form prescribed by the RE from time to time. The RE may determine that applications and notices to the RE may be lodged electronically either through HHCAF's website or that of an authorised third party (including the Registry). Any application or notice lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility.
- (b) Subject to rules 19(c) and (d), applications and notices are effective upon receipt by the RE or the Registry (as appropriate).
- (c) Unless the Board determines otherwise, applications or notices received after the Last Election Date for a Distribution are not effective in respect of that Distribution but are effective in respect of subsequent Distributions.
- (d) Without limiting rule 13(c), the RE has absolute discretion to:
 - (1) accept or reject an application or notice which is not properly completed or signed; and
 - (2) prior to acceptance, clarify with an Eligible Unitholder any instruction with respect to an application/notice in order for the application/notice to be properly completed.
- (e) The accidental omission by the RE to give any notice under these Rules to any Unitholder or any other person will not invalidate any act, matter or thing.
- (f) For the purposes of this rule 19, an application or notice includes, but is not limited to, a Participation Notice.

20 General

- (a) The RE will record, with respect to each Participant:
 - (1) the name and address of the Participant (being the name and address in HHCAF's unit register from time to time); and
 - (2) the number of Participating Units held by the Participant from time to time.
- (b) The RE's records are conclusive evidence of the matters recorded in them.
- (c) The Board may delegate any power, discretion or function under these Rules to any person or persons.
- (d) Any Distribution payable on Participating Units which the RE is entitled to retain as a result of a charge or lien in favour of the RE in accordance with the Constitution, or other requirement of law, is not available for the purpose of participating in the DRP.
- (e) Subject to the Constitution, the RE may:
 - (1) implement the DRP in the manner the RE thinks fit; and
 - (2) settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the DRP or these Rules as the RE thinks fit, whether generally or in relation to any Unitholder or DRP account or any Units,

and the determination of the RE is conclusive and binding on all relevant Unitholders and other persons to whom the determination relates.

- (f) Neither the Board, the RE, the Registry nor any persons to whom the Board has delegated all or any of its powers, discretions or functions under the DRP (nor where relevant any of their respective officers, employees, agents or advisers) is liable or responsible to any Unitholder or Participant for any loss or alleged loss or disadvantage suffered or incurred by them as a result, directly or indirectly, of any one or more of:
 - (1) the establishment, operation, suspension or termination of the DRP;
 - (2) participation or non-participation in the DRP; or
 - (3) any advice given with respect to participation in the DRP by any person.
- (g) The DRP, its operation and these Rules are governed by the laws of the State of New South Wales and each Unitholder submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts.