



Press Release:

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HCAP to launch its fourth single asset property trust, targeting 25% over 18 months; and hands back investors' money in its Asian Bond Fund (HCAP Diversified Fund).

HCAP is soon to launch its fourth single asset property trust, underwritten by HCAP, where the risk and return is linked directly to a single boutique residential development project. HCAP's single asset trusts provide mezzanine funding to residential apartment developments, targeting superior returns. Importantly, investors have priority access to returns over and above ordinary equity investors.

A "special purpose" single asset unit trust is established for each residential development project that HCAP supports. This ensures that risk and return are linked directly to a single development. On completion of each residential development project the respective single asset trust distributes according to the Information Memorandum, providing investors with a clear and defined liquidity event.

HCAP's single asset trusts are somewhat unique in the world of Australian property funds. The vast majority of property funds in the market place are open ended funds that invest in multiple projects, encompassing multiple risks and providing investors with limited transparency and liquidity. HCAP's approach is at the other end of the spectrum by providing simplicity in approach, a defined and easy to understand target liquidity date and, importantly, superior target returns.

HCAP is proud of its track record of delivering super returns to investors. All three recently distributed single asset trust clients have achieved returns of 25% plus for its investors, on top of their original principal investment in each of HCAP's respective HCAP Platinum Funds. The upcoming launch will target similar returns of 25% over 18 months.



HCAP has also recently returned investors' monies in the HCAP Diversified Fund, which invested in Asian Bonds. HCAP is currently seeing limited opportunity to extract superior returns in the Asian Bond space, which led to this decision. HCAP is an asset manager that is both disciplined and opportunistic when it invests capital. In line with this HCAP, being true to its philosophy currently sees better opportunity for investors in single asset property trusts, where a defined risk management strategy supports high target returns with low volatility.

- The HCAP Diversified Fund AUD Share Class has delivered investors an impressive 33% since its launch in Dec 2009 – and the USD Share Class an impressive 20% over the same period.
- HCAP may re-enter the Asian Bond market again at a point in the future when, and if, true perceived value returns.

HCAP manages and advises on over \$50 million of assets, supporting wholesale and sophisticated investors and family offices.

- Steve Howell says “We are a performance driven investment manager and we are excited about the opportunities in the residential property development opportunities and mezzanine finance. It’s all about delivering on return expectations. HCAP has an edge with its alignment with Australasian Property Partners (APP - www.auspp.com), which de-risks HCAP supported projects through apartment pre-sales.”

APP is a licensed property specialist located in Sydney, focussing in direct property across major capital cities along the east coast of Australia - Sydney, Brisbane and Melbourne. APP’s focus is in residential development, sales and single asset property funds. APP provides a specialised property and service solution to aligned financial planning and accounting firms, and to some 500 mortgage brokers across the country.

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