

# HYPERION

ASSET MANAGEMENT

February 2025



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# Hyperion’s Mission, Values & Beliefs

Hyperion’s mission is to sustainably\* grow clients’ wealth over the long term.  
We aim to achieve this by investing in businesses with superior and sustainable economics.

Our values are:

- 1. We are hardworking and research driven, not marketing driven
- 2. Our decision-making framework is evidence, merit and first principles based
- 3. We are alpha focused
- 4. We see ourselves as business owners, not share traders
- 5. We think long term; share price declines do not drive behaviour or decision making
- 6. We are generalists who place the collective first

Alpha generation-related FUM is currently approximately \$6.5 billion (40% of total FUM). This compares to approximately \$1.7 billion (10% of total FUM) that is from net client contributions. Since inception, each \$1 of net client contribution has grown to \$9.59 through investment returns.

FUM Generation		\$B (AUD)
Net Flows from Clients	10%	1.7
Market Return	50%	8.1
Alpha	40%	6.5
Total FUM**	100%	16.3

\*By ‘sustainably’, we mean that we only invest in businesses that we believe have high quality attributes, including strong and resilient value propositions, competitive advantages which we consider can be maintained beyond the short term, innovative cultures and large addressable markets. These elements, together with our proprietary portfolio management system that sets stock weights based on risk adjusted long-term forecast returns, aim to help grow clients’ wealth over the long term. While environmental sustainability is one of a number of relevant considerations that forms part of the investment analysis which we undertake, this is not the context in which we use the term “sustainably” here.

\*\*Total FUM as of 28<sup>th</sup> February 2025. Due to rounding the summation of FUM and Percentage components presented above may not exactly equal total FUM presented and/or 100%

Past performance is not a reliable indicator of future performance.

# Hyperion Filtered Universe

## Hyperion Invests In

New World, structural growth leaders

- Disruptive technologies/strategies
- Sustainable competitive advantages
- Structural tailwinds
- Innovative, creative, customer-centric culture and management
- Capital-light business models
- Large total addressable markets



## Hyperion Avoids

Old World lower-quality businesses

- No or low growth over the long term
- Product offering/value proposition likely to be disrupted
- Low levels of long-term predictability
- Low levels of innovation
- Highly reliant and sensitive to economic growth and economic cycles

## Hyperion Avoids

Fads, Concept, Momentum & Early-Stage startup companies

Companies shown are examples only. Any reference to a specific security should not be construed as a recommendation to buy or sell this security.

# Hyperion Performance

Our Track Record of Excess Performance Indicates **Quality Stocks Outperform Over Long Periods**

\$AUD Net Performance (%)	Inception# Total Return	Inception# p.a.	10 Year p.a.	7 Year p.a.	5 Year p.a.	3 Year p.a.	1 Year
<b>Hyperion Global Growth Companies Fund (Managed Fund)^</b>	<b>587.4</b>	<b>19.6</b>	<b>18.6</b>	<b>19.8</b>	<b>19.1</b>	<b>20.4</b>	<b>28.8</b>
MSCI World Index	<b>322.1</b>	14.3	13.0	14.7	15.3	16.6	21.6
Excess Performance	<b>265.3</b>	5.3	5.6	5.1	3.9	3.8	7.3

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<b>Hyperion Australian Growth Companies Fund*</b>	<b>1,047.5</b>	<b>11.5</b>	<b>10.6</b>	<b>10.3</b>	<b>10.1</b>	<b>12.0</b>	<b>11.2</b>	<b>10.1</b>	<b>11.0</b>
S&P/ASX 300 Accumulation Index	597.1	9.0	7.8	8.2	7.5	8.5	8.8	8.9	9.7
Excess Performance	<b>450.5</b>	2.5	2.9	2.1	2.5	3.5	2.4	1.2	1.3

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\*Inception date: 30th September 2002. Due to rounding, excess performance figures may not equate perfectly to the difference between Hyperion Australian Growth Companies Fund Performance and the S&P/ASX 300 Accumulation Index Performance. Benchmark: S&P/ASX 300 Accumulation Index. Source: Hyperion.

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# Inception date: Inception date: 1st June 2014 – the date the composite strategy was first implemented. Due to rounding excess performance figures may not equate perfectly to the difference between Hyperion Global Growth Companies Fund (Managed Fund) Performance and the MSCI World Index Performance Source: Hyperion, MSCI.

# The Hyperion Advantage.

## Battling False Narratives

1. Market has never been this concentrated
2. Valuations are too high

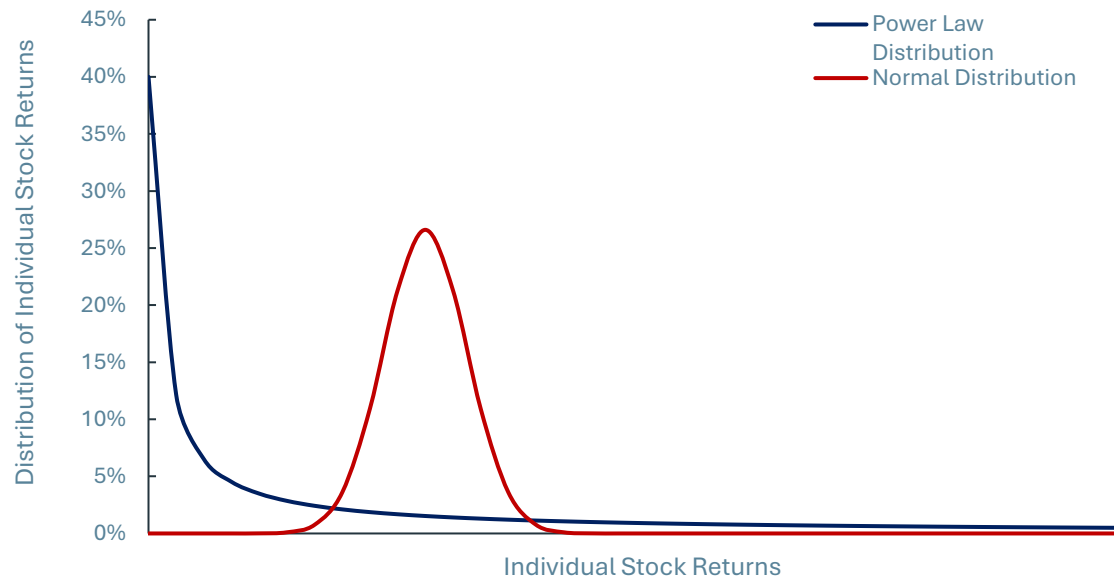
# What is a Power law

*“Positive mean excess returns for the broad stock market is driven by very large returns to relatively few stocks, not by positive excess returns to typical stocks. The positive skewness of long horizon stock returns is primarily attributable to the effects of compounding.”*

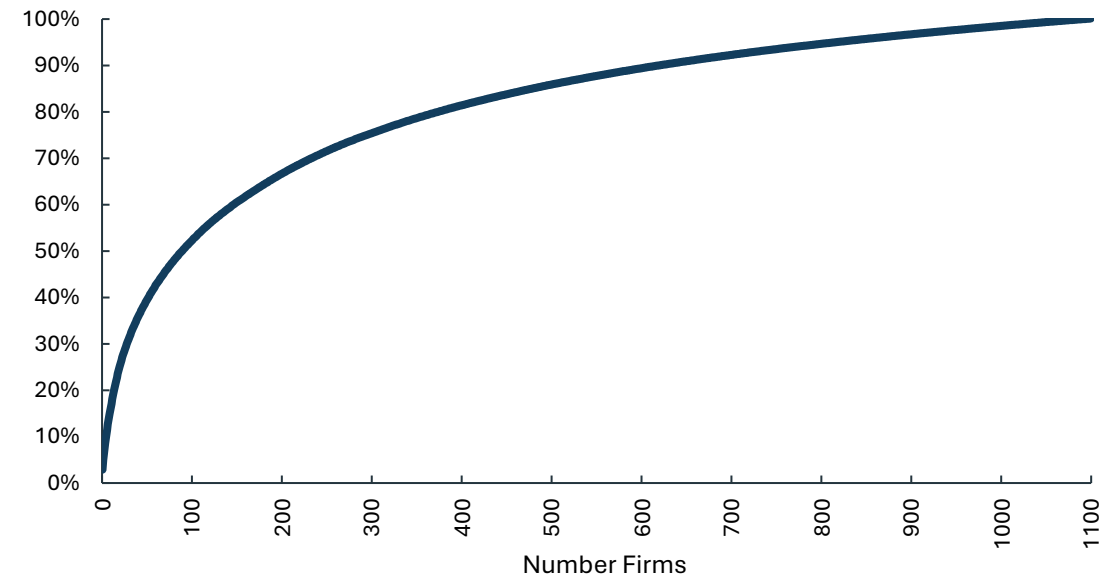
Bessembinder (2018)



Power Law Distribution of Returns vs Normal Distribution



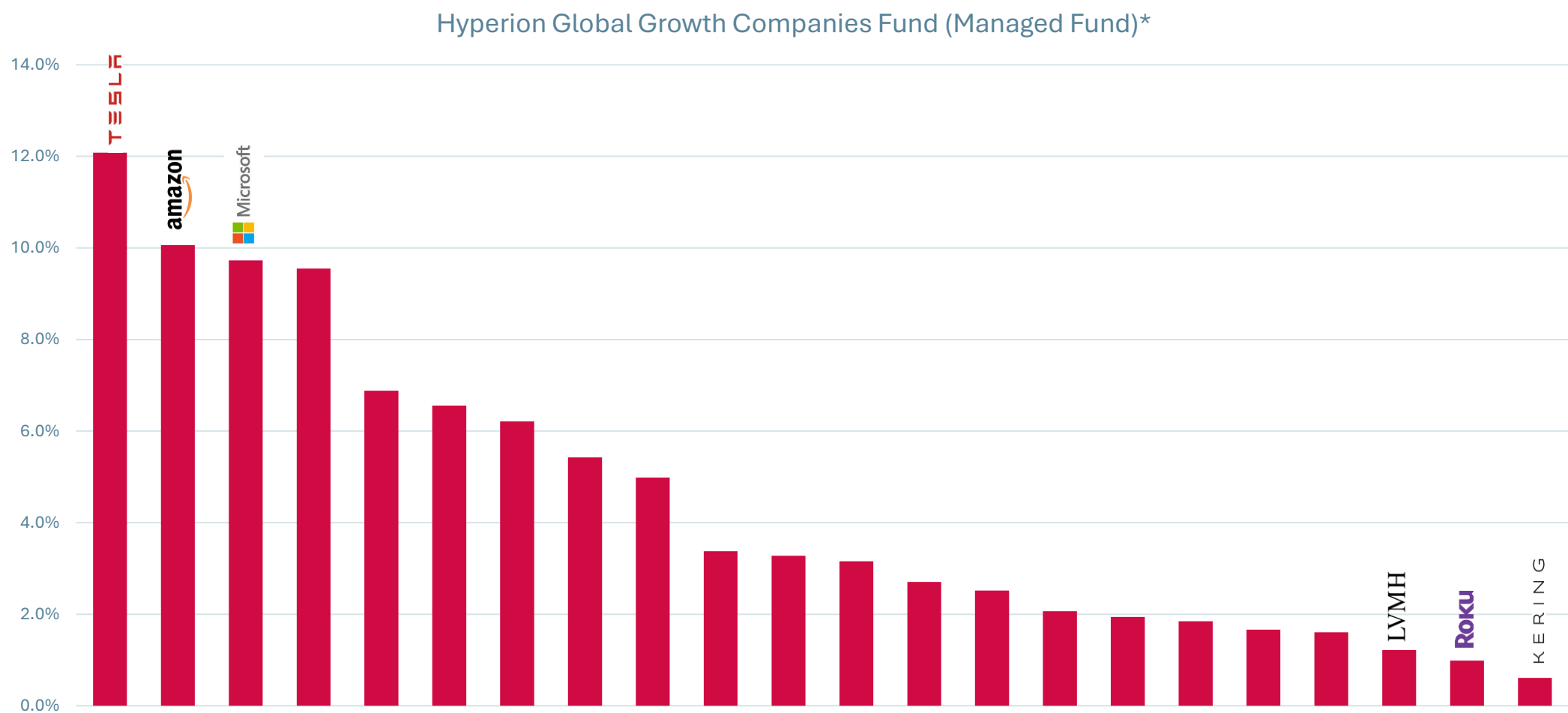
Cumulative Percent of Wealth Creation in U.S. Listed Markets, Top 1,100 Companies (1926 to 2016)



Source: Hyperion, Bessembinder, H. 2018. Do Stocks Outperform Treasury Bills?. Journal of Financial Economics, 129(3): 440-457.



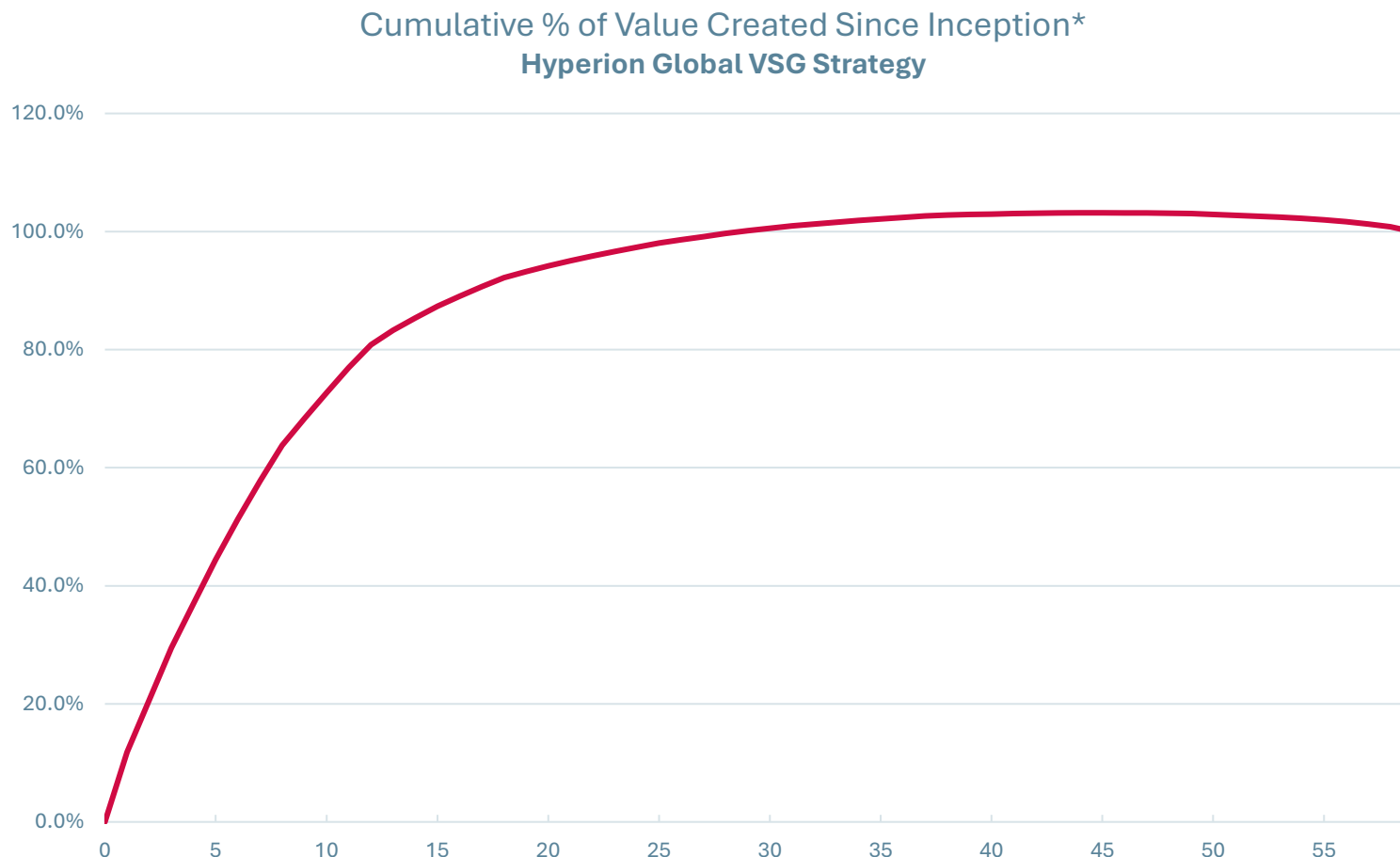
# Top Holdings by Average Weight over Past 12 Months



Source: Hyperion. Data as at 31<sup>st</sup> December 2024.



# Global Strategy – Theoretical Value Created



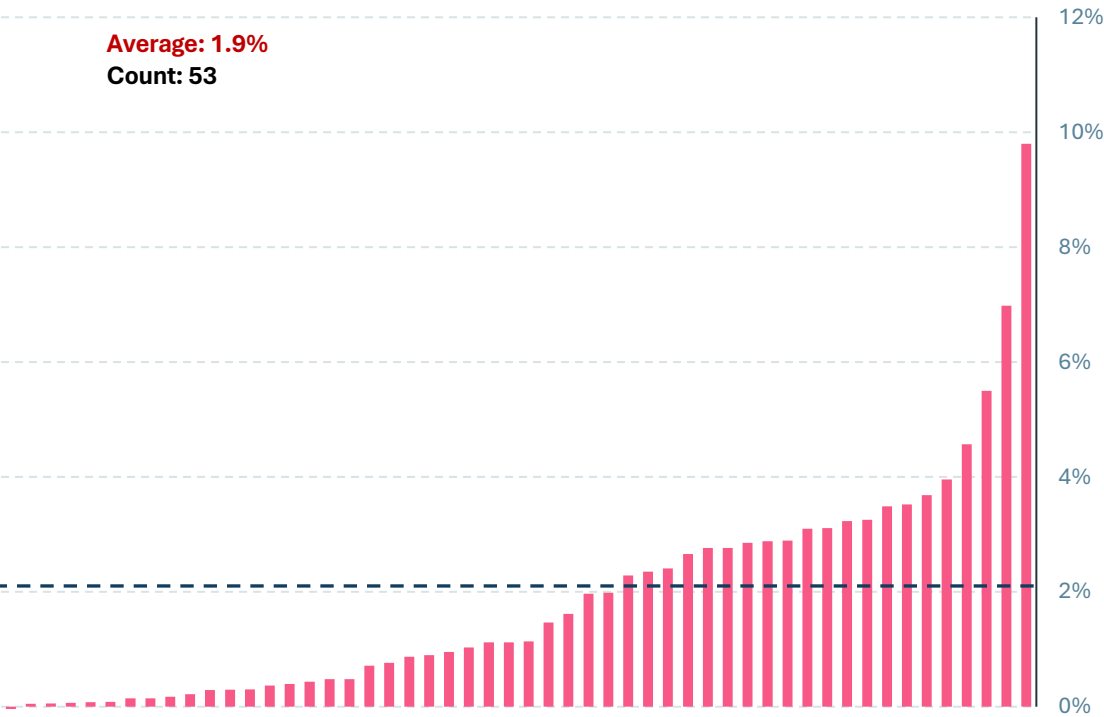
- Since inception, the strategy has invested in 59 different positions
- Top 5 investments by value created over investment period:
  - Meta (1,178%)
  - Mastercard (882%)
  - Hermes (870%)
  - Alphabet (753%)
  - Visa (733%)
- **Over 50% of value created from top 6 positions**
- **100% of value created from top 29 positions**
- **Remaining 30 positions created net value of \$0**

Source: Hyperion. \*Value Created refers to the dollar generated by a \$100 initial investment into a position at the time of entry into the Hyperion Global VSG Strategy and held until the earlier of when the position was removed from the strategy or the 31<sup>st</sup> October 2024. Strategy Inception Date: 31<sup>st</sup> May 2014.

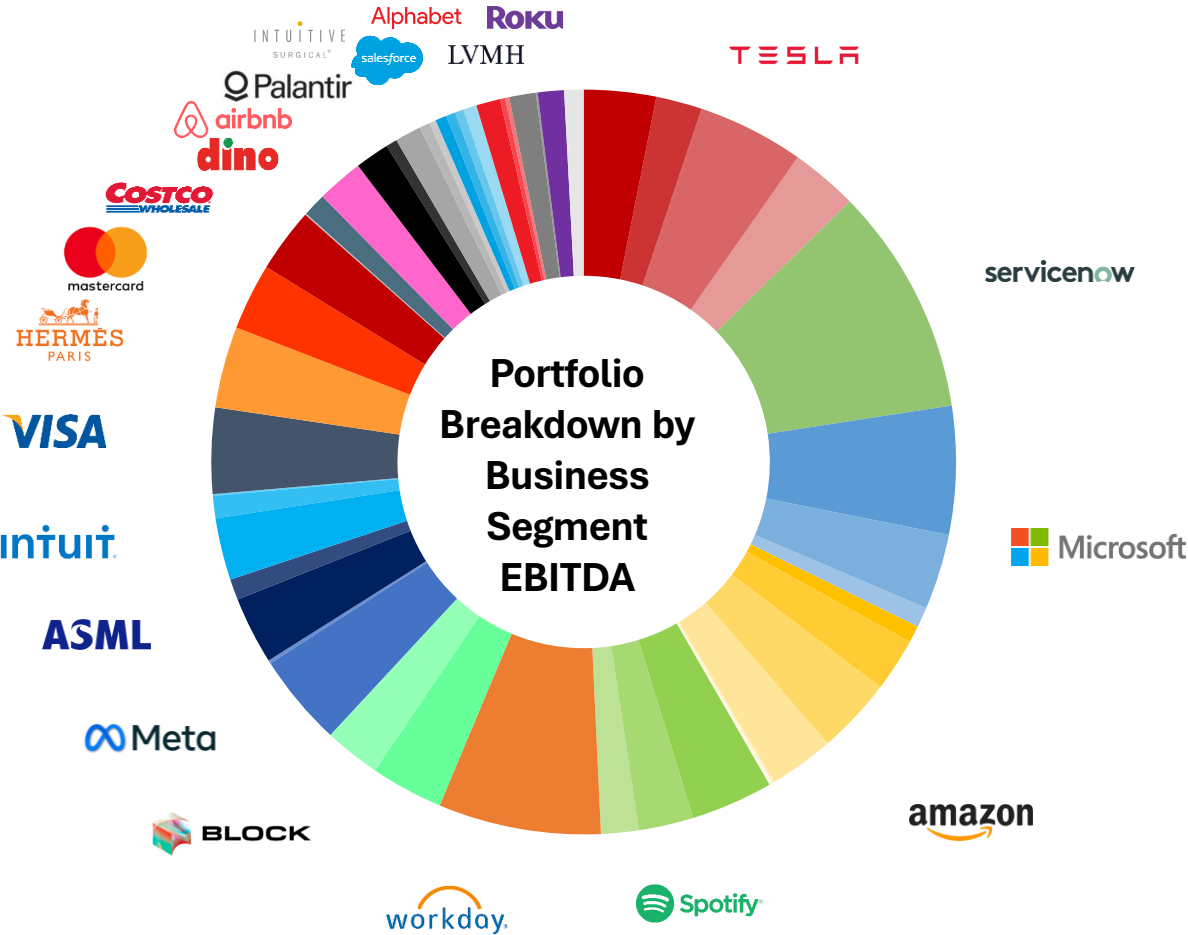
# Global Diversified Businesses that Reduce Portfolio Risk

Portfolio Breakdown by Business Segment EBITDA

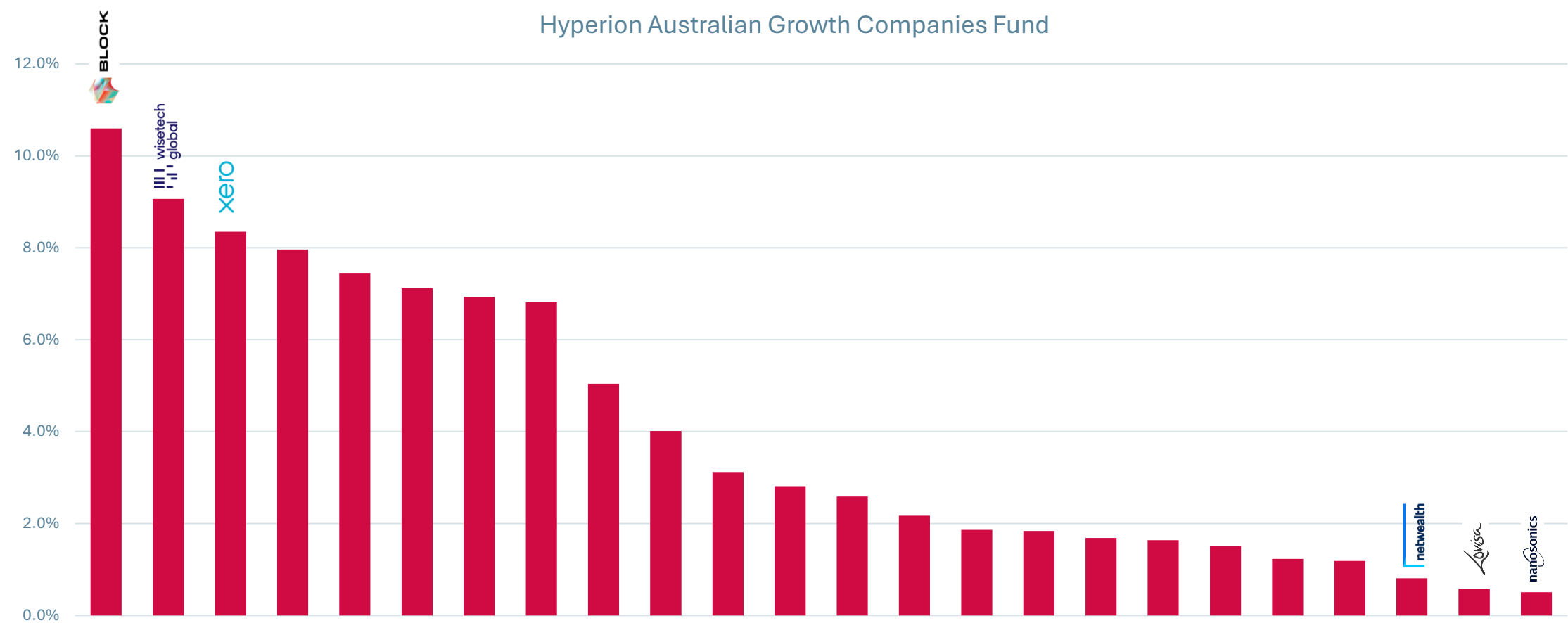
Average: 1.9%  
Count: 53



Business segment EBITDA calculated as the average forecast EBITDA for each segment over the next 10 years based on Hyperion internal modelling. EBITDA forecasts and portfolio weights are subject to change. Source: Company announcements, Hyperion modelling. Data as at 31<sup>st</sup> December 2024.

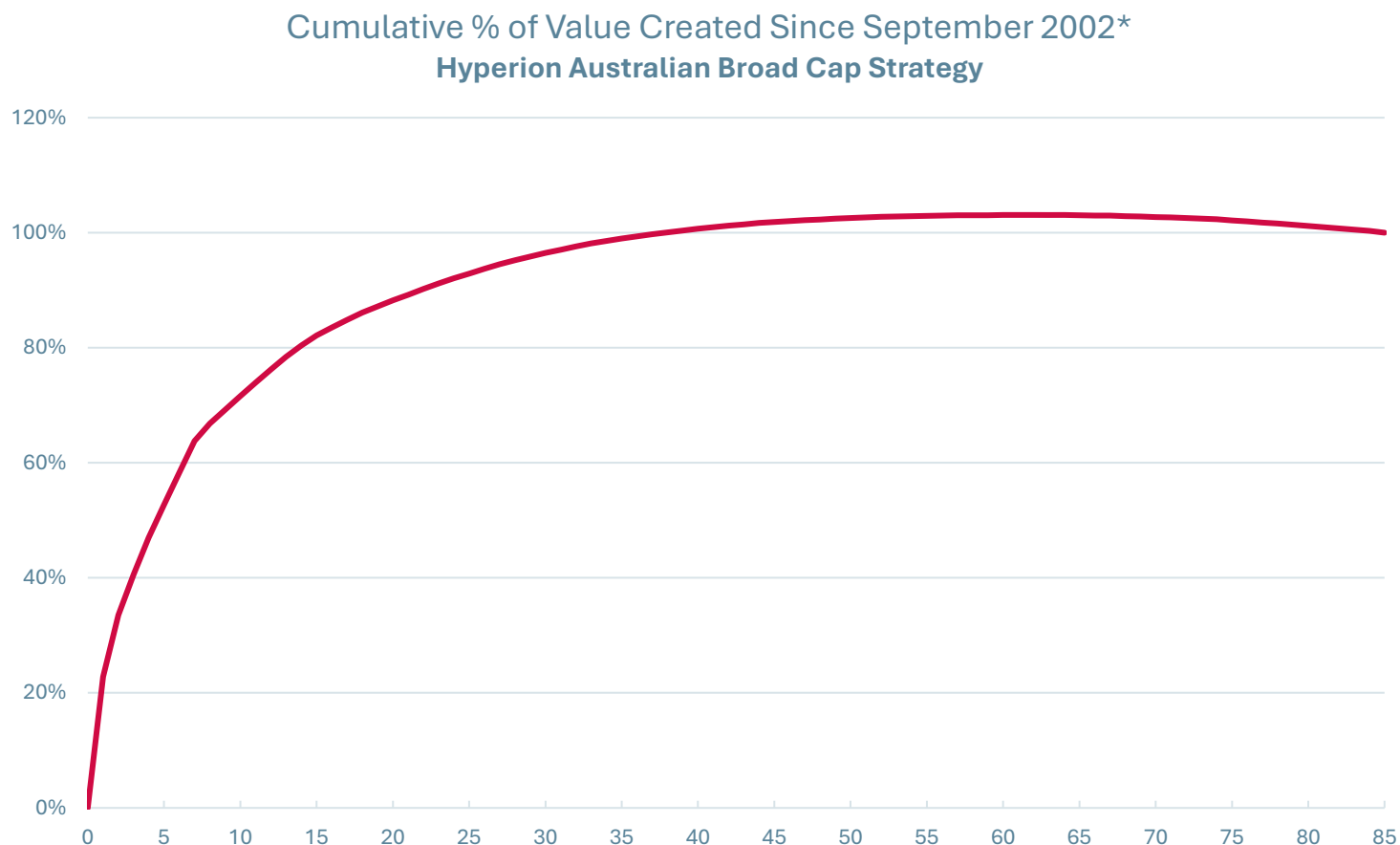


# Top Holdings by Average Weight over Past 12 Months



Source: Hyperion, Data as at 31<sup>st</sup> October 2024.

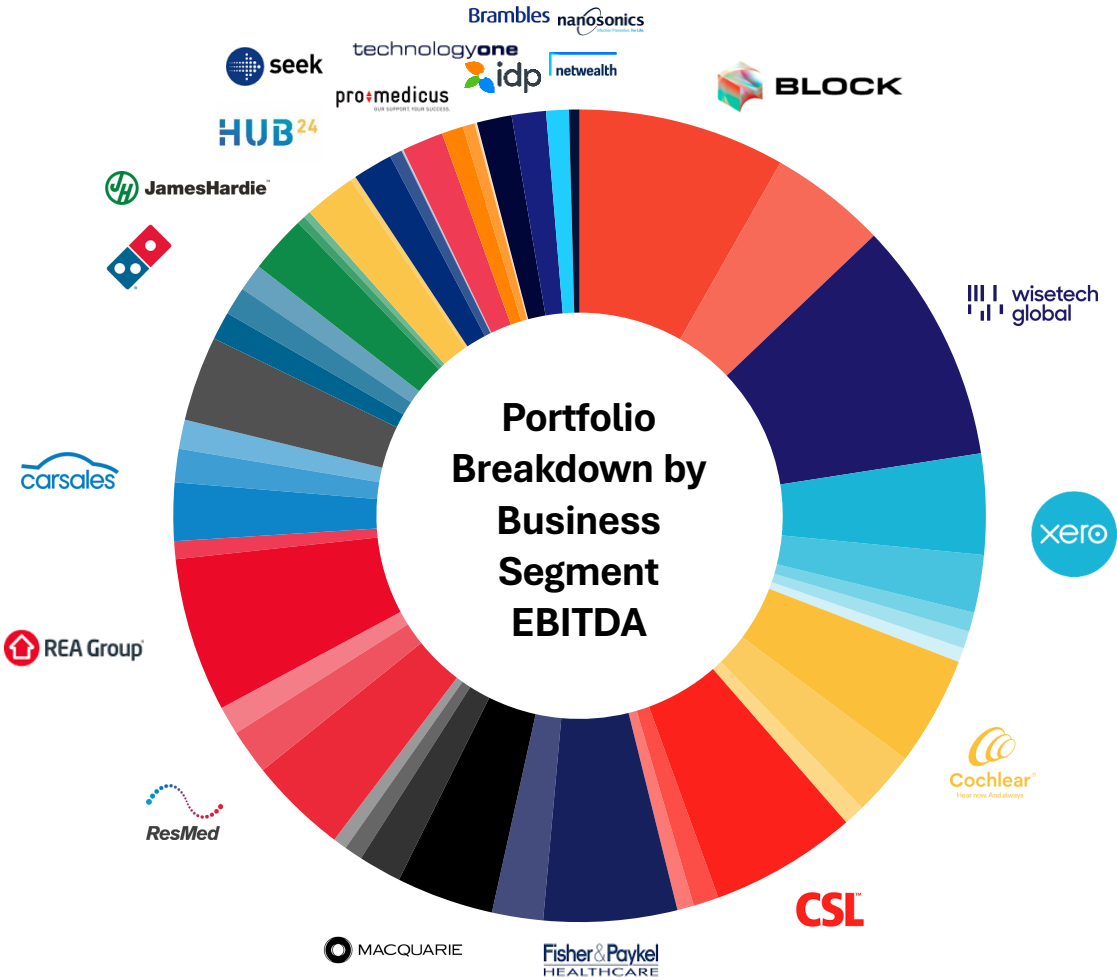
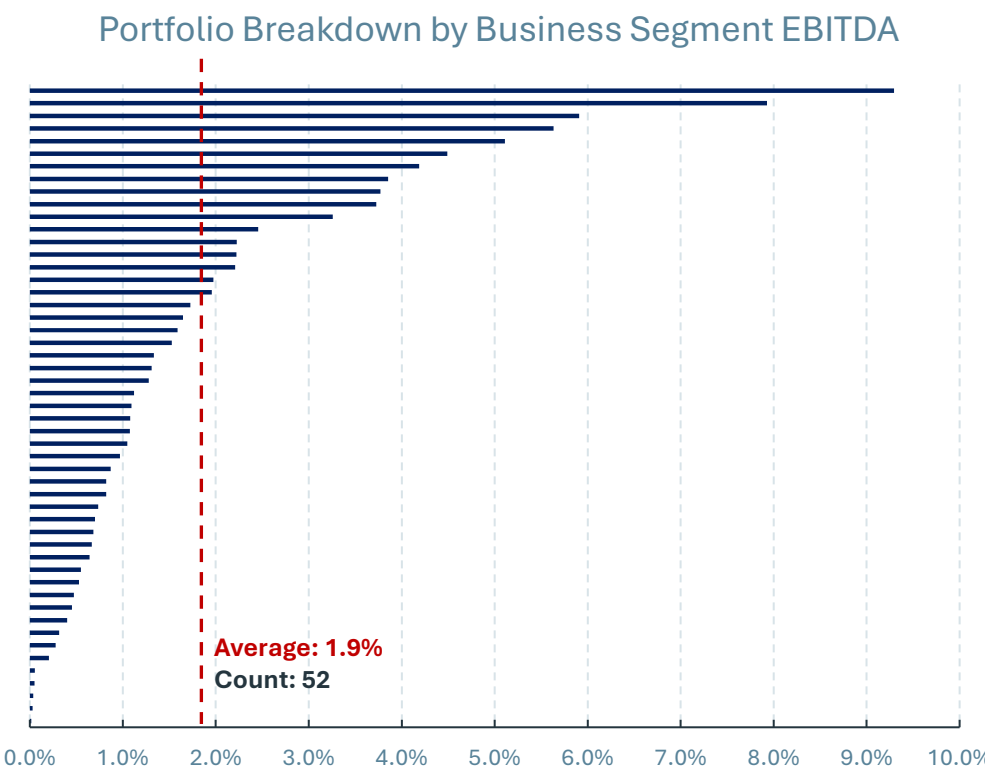
# Domestic Strategy – Theoretical Value Created



- Since September 2002, the strategy has invested in 85 different positions
- Top 5 investments by value created over investment period:
  - REA Group Limited (5,092%)
  - Macquarie Group (2,394%)
  - Queensland Gas Company (1,587%)
  - Seek Limited (1,428%)
  - Wisetech Global Limited (1,266%)
- Over 50% of value created from top 5 positions
- 100% of value created from top 37 positions
- Remaining 48 positions created net value of \$0

Source: Hyperion. \*Value Created refers to the dollar generated by a \$100 initial investment into a position at the time of entry into the Hyperion Broad Cap Strategy and held until the earlier of when the position was removed from the strategy or the 31<sup>st</sup> October 2024.

# Global Diversified Businesses that Reduce Portfolio Risk



Business segment EBITDA calculated as the average forecast EBITDA for each segment over the next 10 years based on Hyperion internal modelling. EBITDA forecasts and portfolio weights are subject to change. Source: Company announcements, Hyperion modelling. Data as at 29<sup>th</sup> February 2024.

# The Sky is Falling

The market always seems overvalued, apparently?

CNBC

The stock market has never been this big relative to the economy, signaling it could be overvalued

The ratio between U.S. equities and gross domestic product is at an all time-high and the ratio of equity value to the economy is at the...

14 Jan 2020

CNBC

Yellen was right, markets are overpriced: Shiller

Federal Reserve Chair Janet Yellen was right to point out that markets are overpriced, said Yale economics professor, Robert Shiller, on Thursday.

7 May 2015

The New York Times

Stock, Bond and Real Estate Prices Are All Uncomfortably High (Published 2021)

An economist says the three major U.S. markets all show signs of severe overpricing.

1 Oct 2021

markets.businessinsider.com

Stock Rally Won't Last, AI Bubble Will Pop, Economy Will Sink: Jeremy Grantham

Stocks are super expensive and set to disappoint, the AI craze is overblown, and the US economy is "living on air," Jeremy Grantham said.

15 Feb 2024



AFR

The US market is a bubble ready to pop

Dominating the minds of global investors, America is over-owned, overvalued and overhyped to a degree never seen before.

3 Dec 2024

The Motley Fool

This Favorite Warren Buffett Metric Tells Us a Stock Market Crash Could Be Coming

The Buffett Indicator can tell you the valuation of the stock market in a historical context right now. It doesn't predict tops or bottoms.

27 July 2018

MarketWatch

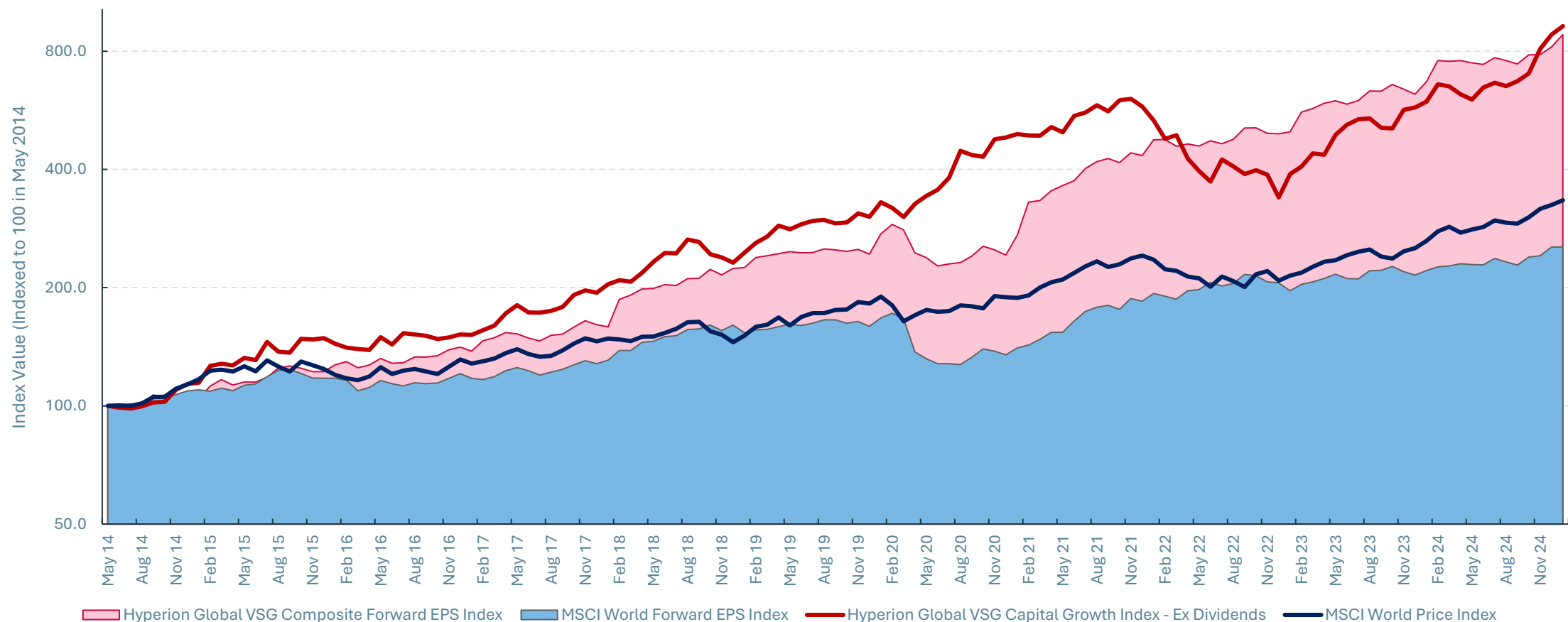
The stock market is overvalued any way you look at it

Based on six well-known and time-tested indicators, equities are more overvalued today than they've been between 69% and 89% of the past century's bull-market...

13 Jan 2015

# Time-Arbitrage & EPS Growth

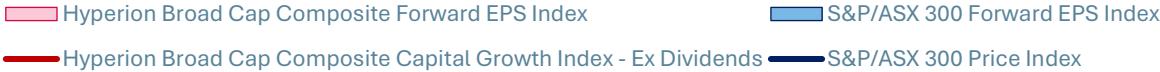
Capital and Forward **EPS Growth** (AUD)  
Hyperion Global VSG Strategy vs. MSCI World Index



Source: Hyperion, FactSet. as at 31st January 2025.  
Past performance is not an indicator of future performance

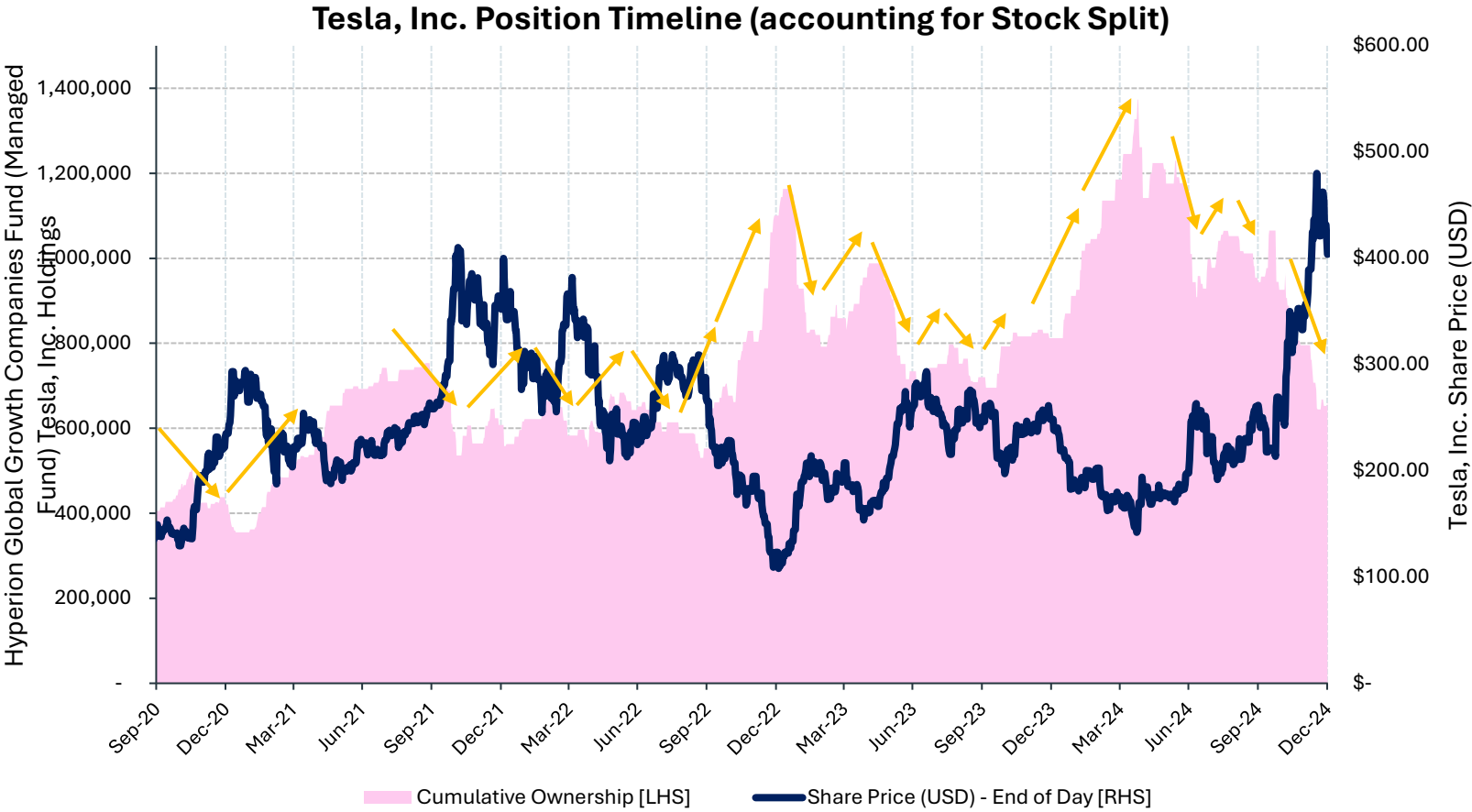


## Hyperion Broad Cap Strategy vs. S&P/ASX 300 Index



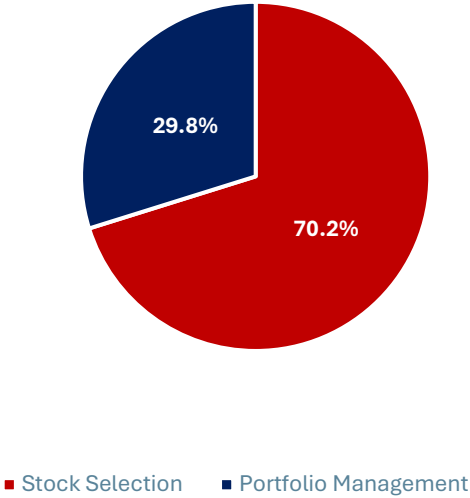
## Hyperion Quality Structural Growth

# Portfolio Management Example



## Portfolio Alpha Attribution

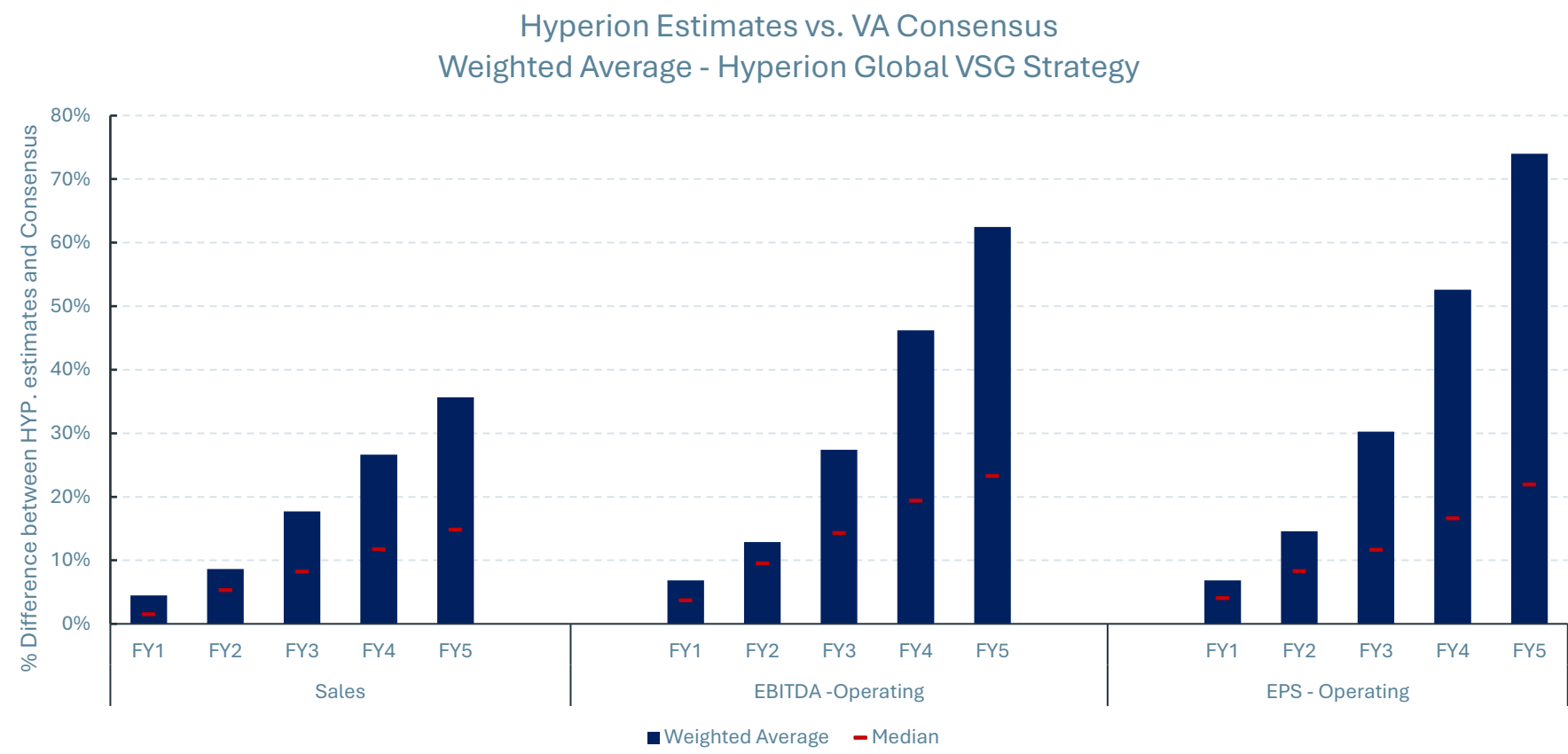
5 Year Average to Feb-25



The security presented on this slide is for illustrative purposes only. Cumulative Ownership of Tesla uses the Hyperion Global Growth Companies Fund (Managed Fund) as a proxy. Historical holdings and share price has been adjusted to account for the 3 for 1 stock split on 25th August 2022. Stock selection represents alpha attributable to an equal-weighted portfolio in excess of the benchmark. Portfolio management represents alpha attributable to the model portfolio in excess of the equal-weighted portfolio. Returns are hypothetical only based on simulated monthly-rebalanced portfolios. Data as at 31<sup>st</sup> January 2025. Source: Hyperion, FactSet.











# Portfolio, Performance & Opportunity

# The Hyperion Advantage: Time Arbitrage



Source: Hyperion, Visible Alpha. EBITDA and EPS figures at the operating level include adjustments for stock-based compensation and one-off/non-recurring items. Data as at 28<sup>th</sup> February 2025. Estimates are forward-looking statements and are based upon certain assumptions and should not be construed as indicative of actual events that will occur. Estimates are subject to change at Hyperion’s discretion.

# Long-term Thematics that are delivering Alpha, Diversifying and Reducing Portfolio Risk

<p>Serving the value conscious consumer [2%]</p> 	<p>Modernisation of healthcare [3%]</p> 	<p>Shift from traditional retail to E-commerce [8%]</p> 	<p>Increasing advancements and innovation in robotics and IoT [9%]</p> 
<p>Transition to sustainable economy [7%]</p> 	<p>Transition to the gig economy [1%]</p> 	<p>Structural growth in demand for ultra luxury goods [5%]</p> 	
<p>Shift to AI based software platforms enabled by advanced computers and large cloud-based data sets [18%]</p> 	<p>Modernisation of banking and payments [14%]</p> 	<p>Shift from linear or physical consumption to on-demand digital content [8%]</p> 	
<p>Cash [2%]</p>	<p>Shift from traditional media to online/digital (including SME advertising) [5%]</p> 	<p>Digital transformation of the workplace (productivity) [17%]</p> 	

Companies listed in thematic themes are examples only. Any reference to a specific security should not be construed as a recommendation to buy or sell this security. Please note that portfolio holdings and positioning are subject to change without notice. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. All investments include a risk of loss that clients and investors should be prepared to bear. Portfolio weights may not sum to 100.0% due to rounding.

# Artificial Intelligence & Machine Learning Key Revenue Phases



Selling AI Computing Power

**ASML**


Providing Cloud Services


**amazon**

 Microsoft


**Alphabet**

Incremental Software Tiers

 Palantir


 Microsoft


**servicenow**



Real-World Cases at the Edge Including Inference Computing Power

**TESLA**

 **BLOCK**

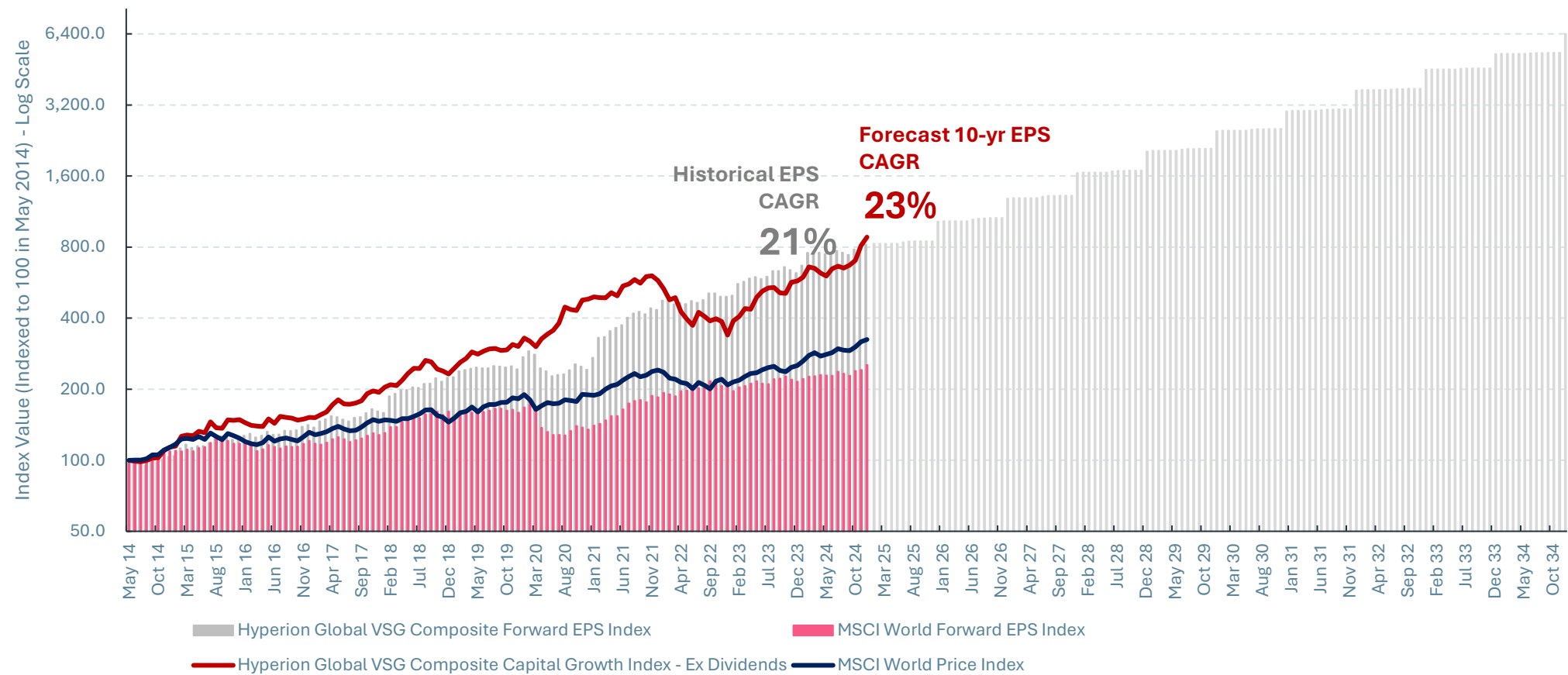
 **Meta**

**ASML**

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# Earnings Trendline

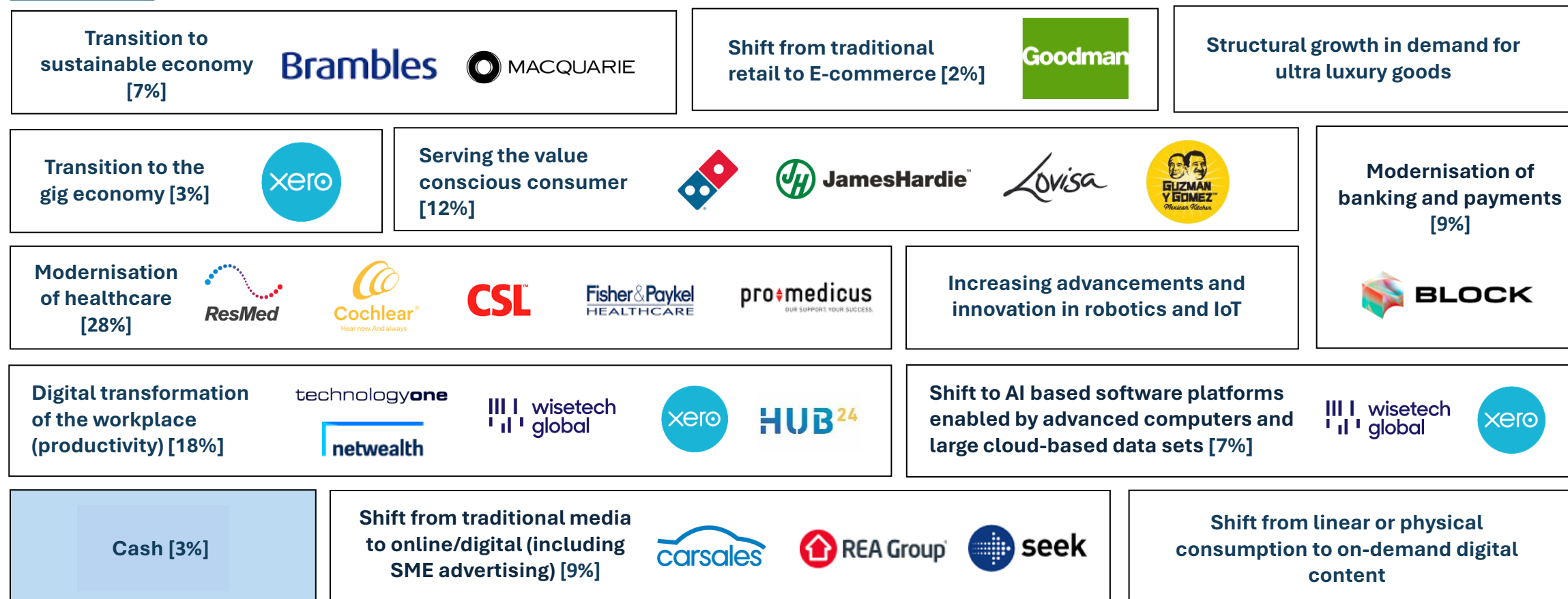
## HYPERION GLOBAL VSG STRATEGY



Past performance is for illustrative purposes only and is not indicative of future performance. The benchmark of the Hyperion Global VSG Strategy (AUD) is the MSCI World Index (Gross). The Hyperion Global Growth Composite – Ex Dividends is an index calculated on the weighted average change in share price of the portfolio holdings each month. Dividends are not reinvested nor included in this index. As a result, the returns of the Ex-Dividends index may differ materially from the actual returns of the Hyperion Global VSG Composite. Source: FactSet, Hyperion, Macquarie Research. Forecasts reflect the judgment and assumptions of Hyperion and its representatives on the basis of information available as at the date of publication and may later change without notice. Data as at 31<sup>st</sup> January 2025.



# Long-term Thematics that are delivering Alpha, Diversifying and Reducing Portfolio Risk



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# Abundance of Growth Domestically



Long-Term Double-Digit Growth in Healthcare





No Credible Competition





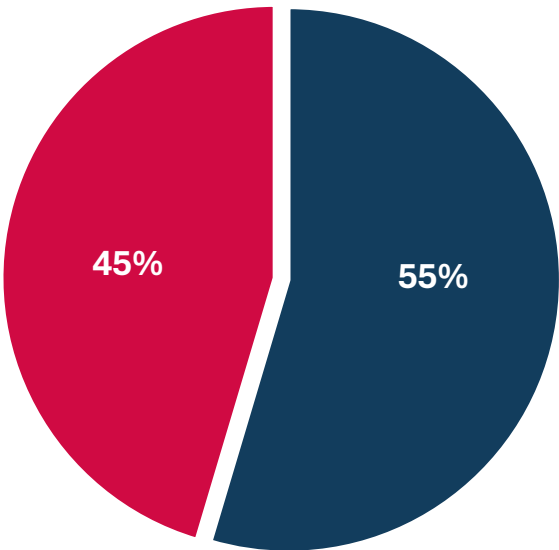
Global Footprint

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# Geographic Revenue Exposure

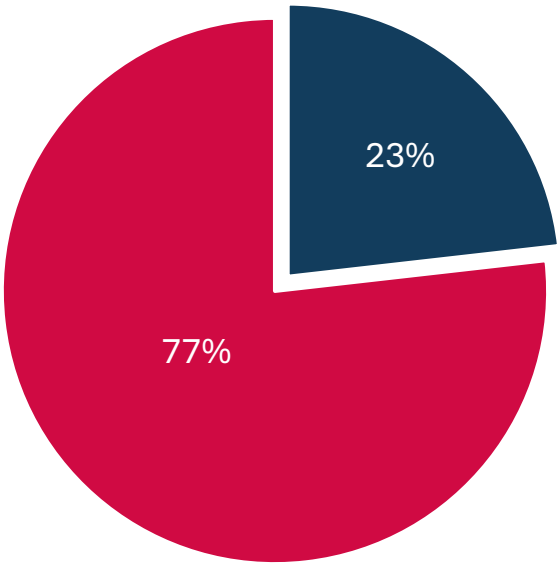
## Hyperion Australian Growth Companies Fund

June 2017



■ Domestic ■ International

June 2024

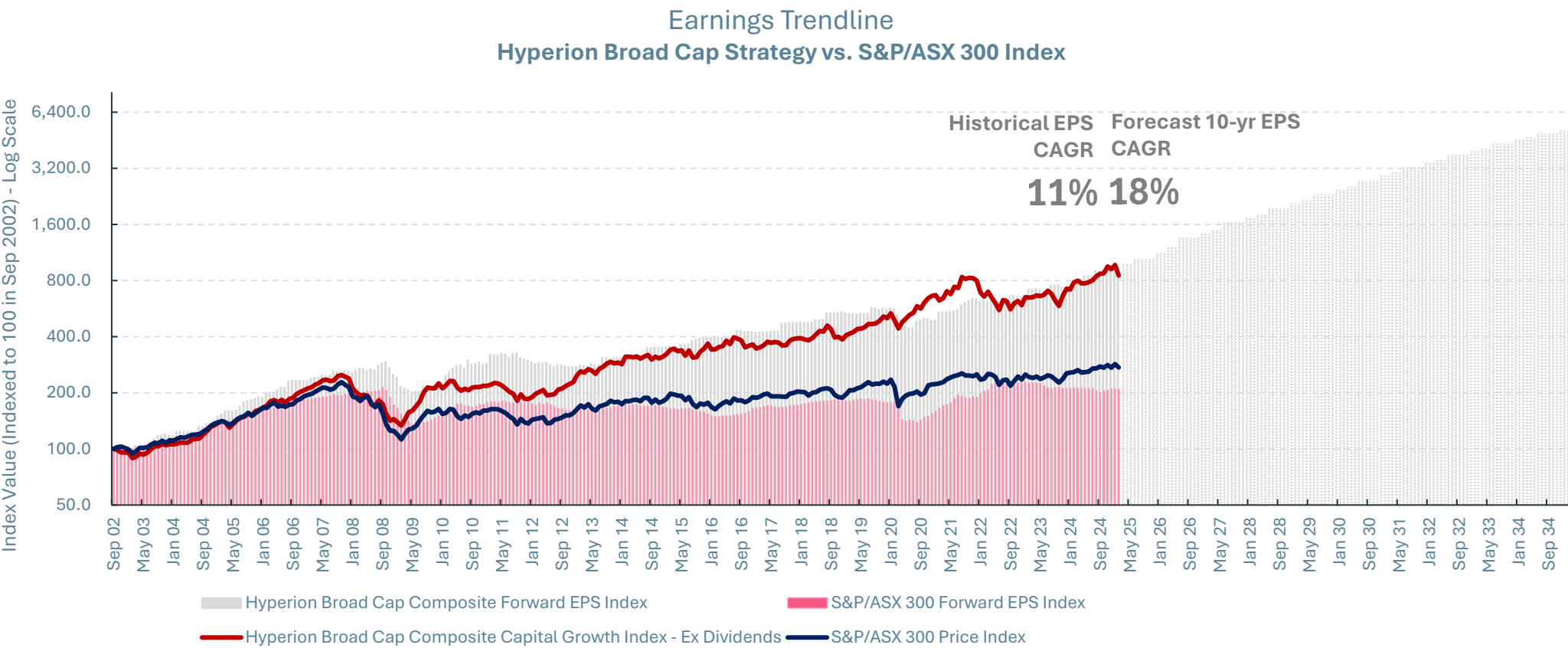


■ Domestic ■ International

Source: Factset, Hyperion

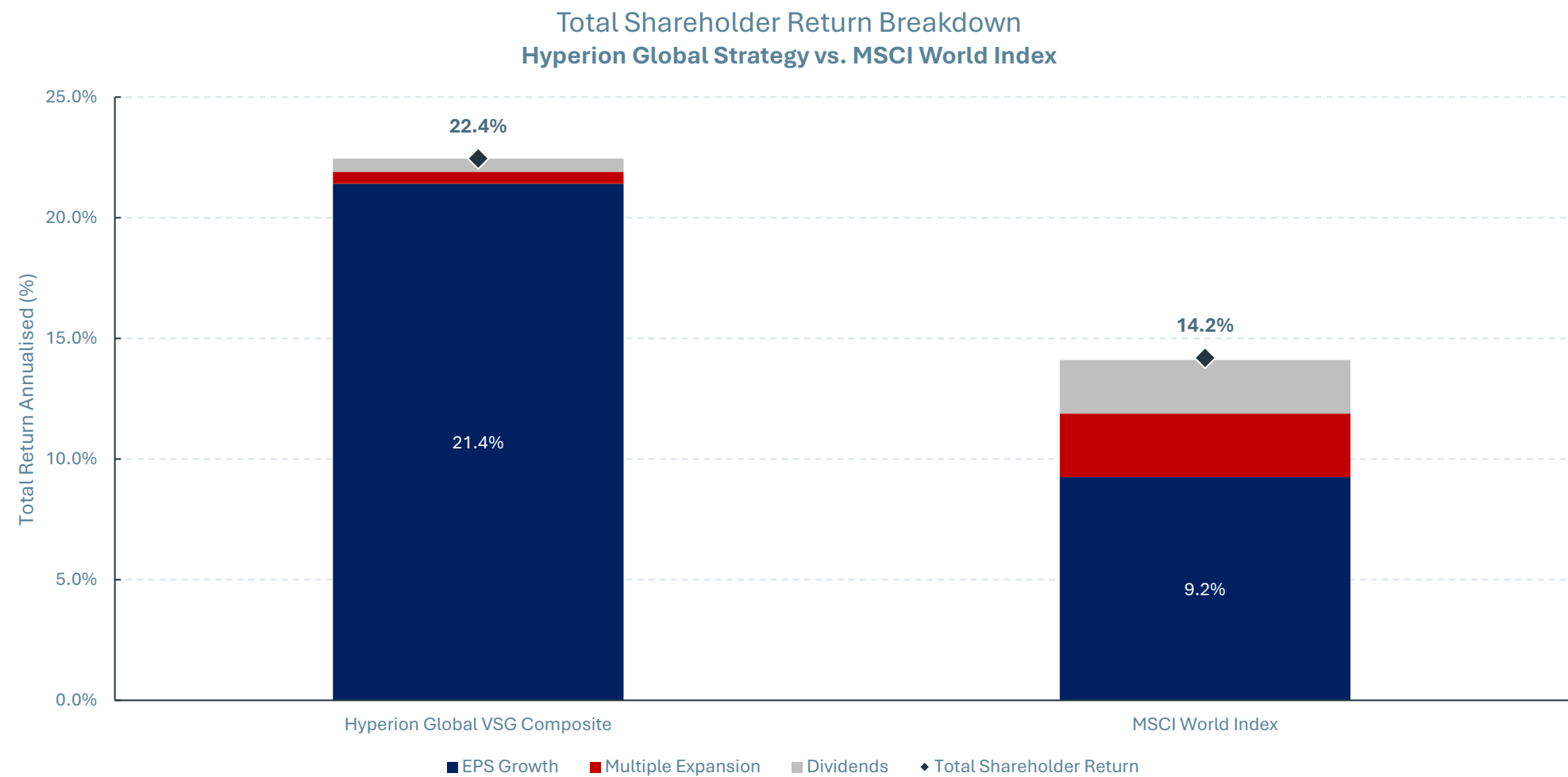
# Earnings Trendline

## HYPERION BROAD CAP STRATEGY VS. S&P/ASX 300 Index



Past performance is for illustrative purposes only and is not indicative of future performance. The benchmark for the Hyperion Broad Cap Strategy is the S&P/ASX 300 Accumulation Index. The Hyperion Broad Cap Equity Composite – Ex Dividends is calculated on the weighted average change in share price of the portfolio holdings each month. Dividends are not reinvested nor included in these indices. As a result, the returns of the Ex-Dividends indices may differ materially from the actual returns of the Hyperion Australian Broad Cap Composite. Source: FactSet, Hyperion, Macquarie Research. Forecasts reflect the judgment and assumptions of Hyperion and its representatives on the basis of information available as at the date of publication and may later change without notice. Data as at 28<sup>th</sup> February 2025.

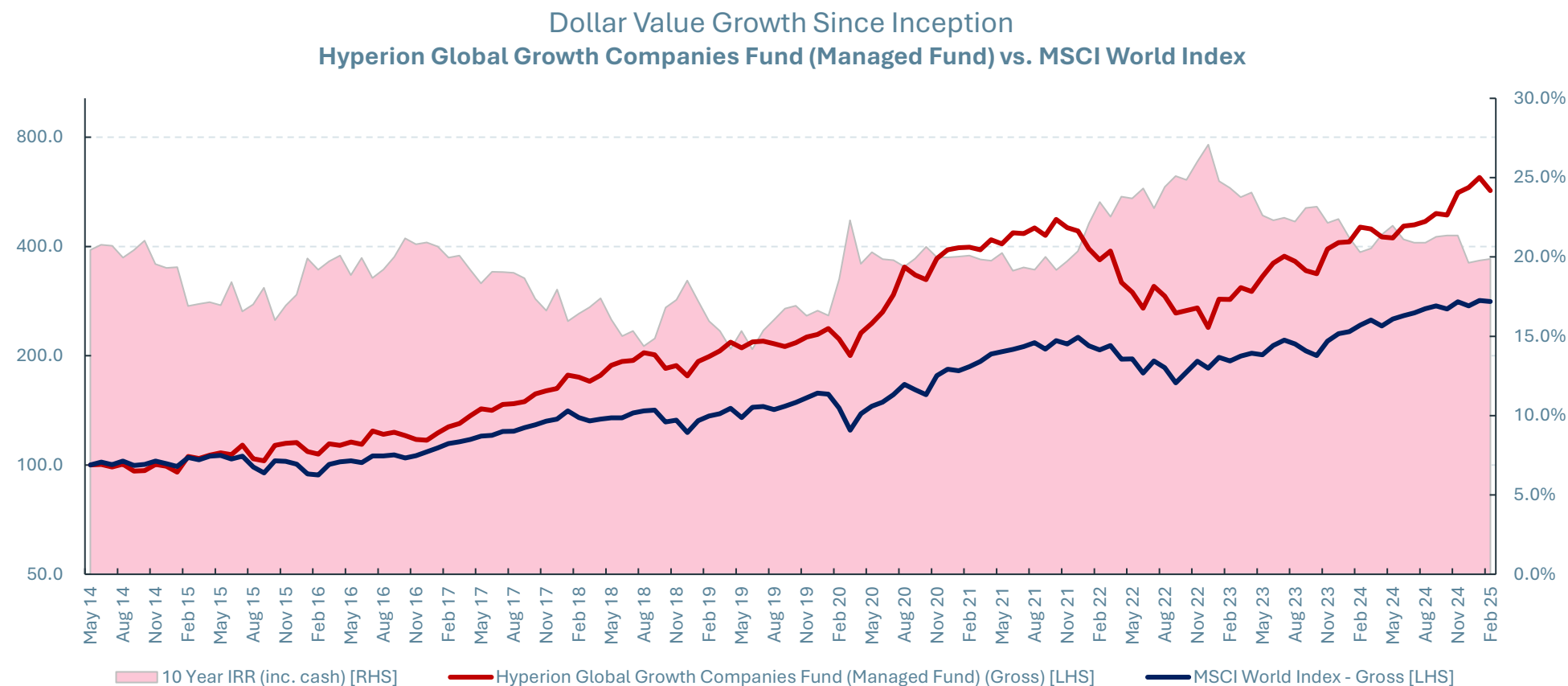
# Earnings Per Share Growth is the Driver of Stock Returns



Source: Hyperion, FactSet. Past performance is for illustrative purposes only and is not a reliable indicator of future performance. Inception date of the Hyperion Global VSG Strategy: 31<sup>st</sup> May 2014. As at 31<sup>st</sup> January 2025.

# Dollar Value Growth Since Inception

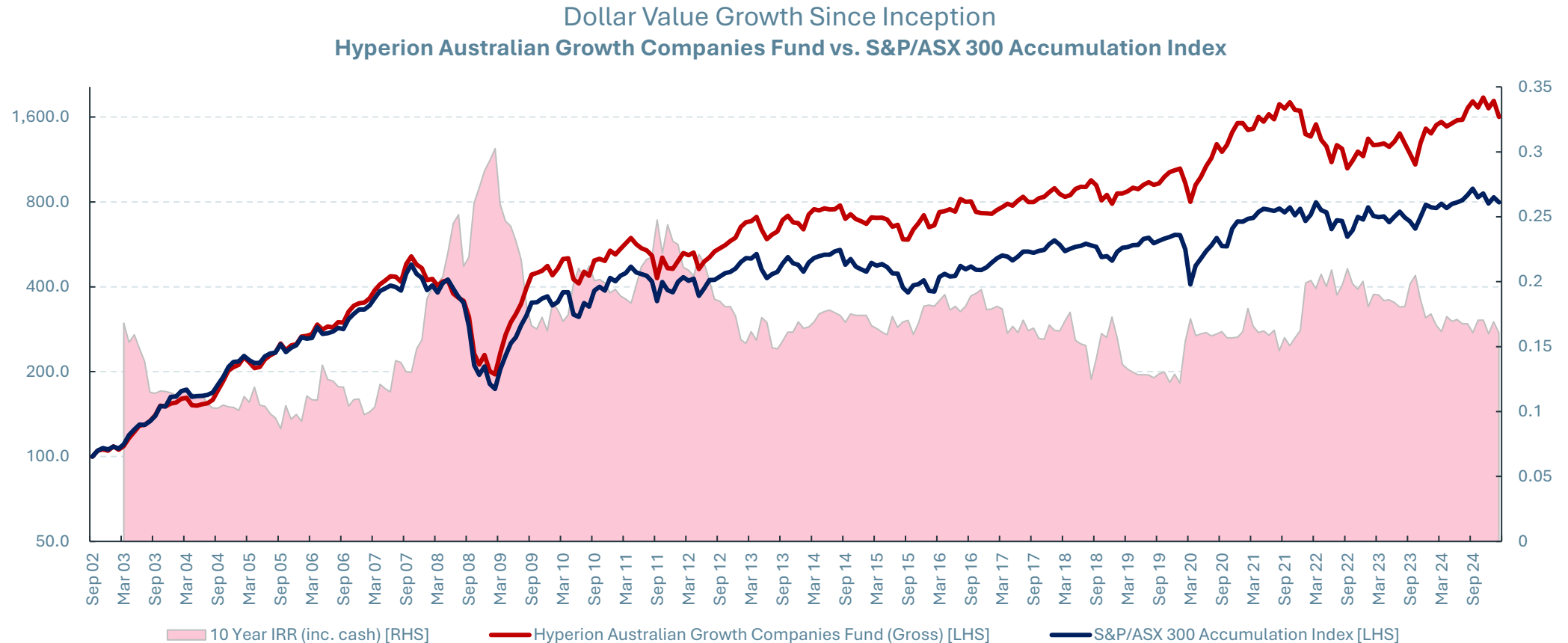
HYPERION GLOBAL GROWTH COMPANIES FUND (MANAGED FUND)^ VS. MSCI WORLD INDEX



Past performance and IRR is not a reliable indicator of future performance. Data as at 28<sup>th</sup> February 2025. Inception date: 1st June 2014 – the date the composite strategy was first implemented. ^Source: Hyperion, MSCI

# Dollar Value Growth Since Inception

## HYPERION AUSTRALIAN GROWTH COMPANIES FUND VS. S&P/ASX 300 ACCUMULATION INDEX



Past performance and IRR is not a reliable indicator of future performance. Data to 28<sup>th</sup> February 2025. The benchmark of the Hyperion Australian Growth Companies Fund is the S&P/ASX 300 Accumulation Index. Inception date of the Hyperion Australian Growth Companies Fund: 30th September 2002. Source: Hyperion, S&P Global.



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***“To be an investor you must be a believer in a better tomorrow.”***

**Benjamin Graham**  
*The Intelligent Investor*



# Hyperion Global VSG Composite GIPS Report (AUD)

Year	Composite Gross Return	Benchmark Return <sup>1</sup>	Composite 3yr Standard Deviation <sup>2</sup>	Benchmark 3yr Standard Deviation <sup>2</sup>	Number of Portfolios	Internal Dispersion <sup>3</sup>	Composite Assets	Firm Asset
	(%)	(%)	(%)	(%)		(%)	(\$M AUD)	(\$M AUD)
2014*	12.9	14.4			<6		1.6	5,098.9
2015	30.7	11.5			<6		4.1	5,844.4
2016	2.0	8.0			<6		13.0	5,581.1
2017	28.5	13.3	14.0	10.8	<6		32.1	5,970.8
2018	20.4	1.4	13.1	9.7	<6		87.1	5,529.3
2019	30.5	27.9	12.6	9.7	<6		271.4	7,367.4
2020	54.8	5.6	16.2	12.0	6		1,628.6	9,657.4
2021	19.6	29.3	16.2	11.4	8	0.6	3,327.3	13,315.1
2022	-41.8	-12.2	23.5	13.5	11	0.3	2,101.7	10,031.8
2023	70.2	23.0	24.2	11.6	11	0.5	3,324.9	13,024.7
2024	56.2	30.8	26.2	12.0	9	0.4	4,398.6	17,215.7

\*\* Composite and benchmark performance are for the period 1 June 2014 through to the 31 December 2014.

1. The MSCI World Index Net TR (AUD) is a broad global equity benchmark that represents large and mid-cap equity performance across 23 developed markets countries. The benchmark is constructed and maintained by MSCI. Returns are shown in Australian dollar terms and currency impacts are unhedged. Source: MSCI

2. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation of the composite are calculated using gross-of fees returns. This metric has not been provided for 2014 to 2016 due to there being less than 36 months of data available.

3. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of those portfolios that were included in the composite for the entire year. If the composite contains five or fewer portfolios for the full year, a measure of internal dispersion is not required. Dispersion data is therefore not available prior to 2021.

## Global Investment Performance Standards (GIPS®) Disclosure

The **Hyperion Global VSG Composite** includes all discretionary portfolios that invest in securities listed in Global Equity Markets. The investment strategy is to invest in growth-oriented companies which pass Hyperion Asset Management Limited's (ABN 80 080 135 897 AFSL 238380) (Hyperion) rigorous investment process. Companies that meet the investment criteria have high quality business franchises, with above average growth potential and have low levels of gearing with predictable medium to long-term earnings streams. The number of securities in the strategy is expected to be between 15 and 30. The Hyperion Global VSG Composite was created on 20 July 2016 and the inception date is 1 June 2014.

Hyperion claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Hyperion has been independently verified for the periods 1 January 2010 to 31 December 2023. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Hyperion Global VSG Composite has had a performance examination for the periods 1 June 2014 to 31 December 2023. The verification and performance examination reports are available upon request.

Hyperion is an investment advisor registered with the Australian Securities and Investments Commission and is also registered with the United States Securities and Exchange Commission (SEC). The firm definition for purposes of complying with the GIPS standards excludes high net worth individual mandates that were managed by Hyperion prior to November 2022. Hyperion no longer manages high net worth individual mandates. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The firm's list of composite descriptions is available upon request. The firm's list of broad distribution pooled funds is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The Australian dollars (AUD) is the currency used to express performance. Returns are presented gross of management fees and include the reinvestment of all income. Both composite and benchmark returns are net of withholding taxes. Actual returns will be reduced by management fees, operating expenses in the case of pooled investments and if applicable performance fees. The standard investment management fee is 0.70% p.a. The investment management fee is negotiable and will vary from client to client. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is not indicative of future results.

# Hyperion ASX 300 Composite GIPS Report

COMPOSITE: **HYPERION ASX 300 COMPOSITE**

BENCHMARK: **S&P/ASX 300 ACCUMULATION INDEX**

Year	Composite Gross Return	Benchmark Return <sup>1</sup>	Composite 3yr Standard Deviation <sup>2</sup>	Benchmark 3yr Standard Deviation <sup>2</sup>	Number of Portfolios	Internal Dispersion <sup>3</sup>	Composite Assets	Firm Asset
	(%)	(%)	(%)	(%)		(%)	(\$M AUD)	(\$M AUD)
2010	-1.1	1.9			7	0.4	635.1	2,221.8
2011	-13.6	-11.0	17.5	14.8	10	0.2	1,317.2	2,775.6
2012	27.3	19.7	14.2	12.6	10	0.2	1,526.6	3,713.7
2013	30.3	19.7	14.0	11.8	9	0.9	2,134.2	4,506.0
2014	10.3	5.3	12.1	11.0	10	0.6	2,688.1	5,098.9
2015	18.2	2.8	14.1	12.6	10	0.4	3,302.3	5,844.4
2016	0.9	11.8	15.5	12.7	9	0.3	3,193.3	5,581.1
2017	10.3	11.9	15.0	11.5	8	0.9	2,518.4	5,970.8
2018	0.5	-3.1	14.8	9.8	9	0.6	2,381.5	5,529.3
2019	32.6	23.8	12.4	8.6	8	1.2	2,708.4	7,367.4
2020	33.1	1.7	16.3	17.9	8	1.2	3,194.2	9,657.4
2021	18.4	17.5	17.5	17.2	10	1.4	4,231.0	13,315.1
2022	-26.3	-1.8	24.3	19.8	11	0.3	3,660.8	10,031.8
2023	24.7	12.1	24.7	13.6	11	0.3	4,386.6	13,024.7
2024	29.4	11.4	23.2	14.0	11	0.8	5,253.3	17,215.7

1. The S&P/ASX 300 Index includes up to 300 of Australia's largest securities by float-adjusted market capitalisation and is constructed and maintained by Standard & Poor's.

2. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation of the composite are calculated using gross-of fees returns.

3. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of those portfolios that were included in the composite for the entire year.

## Global Investment Performance Standards (GIPS®) Disclosure

The **Hyperion ASX 300 Composite** includes all discretionary portfolios that invest in securities listed within the S&P/ASX 300 Index. The investment strategy is to invest in growth-oriented companies which pass Hyperion Asset Management Limited's (ABN 80 080 135 897 AFSL 238380) (Hyperion) rigorous investment process. Companies that meet the investment criteria have high quality business franchises, with above average growth potential and have low levels of gearing with predictable medium to long-term earnings streams. The number of securities in the strategy is expected to be between 15 and 30. The Hyperion ASX 300 Composite was created on 20 July 2016 and the inception date is 30 September 2002.

Hyperion claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Hyperion has been independently verified for the periods 1 January 2010 to 31 December 2023. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The Australian dollars (AUD) is the currency used to express performance. Returns are presented gross of management fees and include the reinvestment of all income. Both composite and benchmark returns are net of withholding taxes. Actual returns will be reduced by management fees, operating expenses in the case of pooled investments and if applicable performance fees. The standard investment management fee is 0.95% p.a. Investment management fees will vary from client to client. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is not indicative of future results.

# Hyperion Small Cap GIPS Report

COMPOSITE: <b>HYPERION SMALL CAP COMPOSITE</b>	BENCHMARK: <b>S&amp;P/ASX SMALL ORDINARIES ACCUMULATION INDEX</b>
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Year	Composite Gross Return	Benchmark Return <sup>1</sup>	Composite 3yr Standard Deviation <sup>2</sup>	Benchmark 3yr Standard Deviation <sup>2</sup>	Number of Portfolios	Internal Dispersion <sup>3</sup>	Composite Assets	Firm Asset
	(%)	(%)	(%)	(%)		(%)	(\$M AUD)	(\$M AUD)
2010	1.7	13.1	23.8	28.3	<6		14.5	2,221.8
2011	-0.5	-21.4	16.1	20.0	<6		14.0	2,775.6
2012	38.6	6.6	13.0	17.5	<6		30.3	3,713.7
2013	38.0	-0.8	13.2	16.5	<6		134.8	4,506.0
2014	12.0	-3.8	13.4	14.9	<6		258.7	5,098.9
2015	34.7	10.2	14.3	14.5	<6		448.6	5,844.4
2016	-0.4	13.2	15.3	13.6	<6		482.7	5,581.1
2017	9.5	20.0	14.9	12.9	<6		391.2	5,970.8
2018	1.3	-8.7	16.7	12.0	<6		273.6	5,529.3
2019*	32.1	21.4	15.2	11.0	<6		340.4	7,367.4
2020	34.9	9.2	19.7	21.5	<6		661.9	9,657.4
2021	21.6	16.9	19.2	20.5	<6		1,116.8	13,315.1
2022	-27.2	-18.4	27.5	24.9	<6		772.8	10,031.8
2023	31.7	7.8	26.5	18.3	<6		877.1	13,024.7
2024	36.8	8.4	26.2	18.5	<6		1,293.3	17,215.7

1.The S&P/ASX Small Ordinaries Index includes the top 300 of Australia’s largest securities by float-adjusted market capitalisation and excludes the top 100 of Australia’s largest securities by float-adjusted market capitalisation. It is constructed and maintained by Standard & Poor’s.

2.The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation of the composite are calculated using gross-of fees returns.

3. Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of those portfolios that were included in the composite for the entire year. If the composite contains five or fewer portfolios for the full year, a measure of internal dispersion is not required. Dispersion data is therefore not available.

\* In October 2022, an error in the September 2019 composite return was discovered and corrected. The 2019 composite gross composite return has been restated from 30.5% to 32.1%.

**Global Investment Performance Standards (GIPS®) Disclosure**

**The Hyperion Small Cap Composite** includes all discretionary portfolios that invest in securities listed within the S&P/ASX Small Ordinaries Index. The investment strategy is to invest in growth-oriented companies which pass Hyperion Asset Management Limited's (ABN 80 080 135 897 AFSL 238380) (Hyperion) rigorous investment process. Companies that meet the investment criteria have high quality business franchises, with above average growth potential and have low levels of gearing with predictable medium to long-term earnings streams. The number of securities in the strategy is expected to be between 15 and 30. The Hyperion Small Cap Composite was created on 20 July 2016 and the inception date is 30 September 2002.

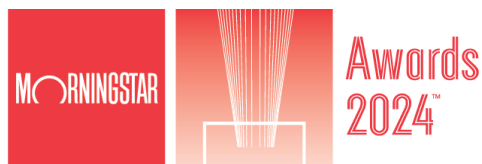
Hyperion claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Hyperion has been independently verified for the periods 1 January 2010 to 31 December 2023. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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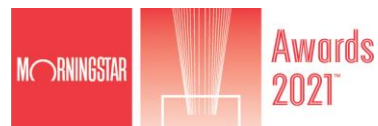
Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The Australian dollars (AUD) is the currency used to express performance. Returns are presented gross of management fees and include the reinvestment of all income. Both composite and benchmark returns are net of withholding taxes. Actual returns will be reduced by management fees, operating expenses in the case of pooled investments and if applicable performance fees. The standard investment management fee is 1.25% p.a. Investment management fees will vary from client to client. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is not indicative of future results.



# Industry Awards



- Hyperion named Winner, **OVERALL FUND MANAGER OF THE YEAR** Morningstar 2024 Awards, Australia.
- Morningstar Awards 2021 – Australian Domestic Equities – Small Caps – Category Winner
- Morningstar Awards 2024 – Australian Domestic Equities – Large Caps – Finalist
- Morningstar Awards 2021 – Global Equities - Finalist



- Hyperion named Winner, **OVERALL FUND MANAGER OF THE YEAR** Morningstar 2021 Awards, Australia.
- Morningstar Awards 2021 – Australian Domestic Equities – Large Caps – Category Winner
- Morningstar Awards 2021 – Australian Domestic Equities – Small Caps – Category Winner
- Morningstar Awards 2021 – Global Equities - Finalist



- Morningstar Awards 2020 – Australian Domestic Equities – Large Caps – Category Winner
- Morningstar Awards 2020 – Australian Domestic Equities – Small Caps – Finalist
- Morningstar Awards 2020 – Fund Manager of the Year – Finalist



- AFMA 2018
- Best Australian Based Global Equity Manager



- Hyperion named Winner, **OVERALL FUND MANAGER OF THE YEAR** Morningstar 2016 Awards, Australia.
- Morningstar Awards 2016 – Australian Domestic Equities – Large Caps – Category Winner
- Morningstar Awards 2016 – Australian Domestic Equities – Small Caps – Category Winner

Morningstar Awards 2024 (c). Morningstar, Inc. All Rights Reserved. Awarded to Hyperion Asset Management for Overall Fund Manager of the Year and Hyperion Small Growth Companies for Fund Manager of the Year, Domestic Equities – Small Cap Category, Australia. Hyperion Australian Growth Companies nominated for Fund Manager of the Year, Domestic Equities – Large Cap Category and Hyperion Global Growth Companies nominated for Fund Manager of the Year, Global Equities Category, Australia. Morningstar Awards 2016 (c). Morningstar, Inc. All Rights Reserved. Awarded to Hyperion Asset Management for Fund Manager of the Year, Domestic Equities – Large Caps Category Winner and Domestic Equities – Small Caps Category Winner, Australia. Morningstar Awards 2020©. Morningstar, Inc. All Rights Reserved. Awarded to Hyperion Asset Management for Winner, Domestic Equities Large Cap, Australia. Morningstar Awards 2020©. Morningstar, Inc. All Rights Reserved. Hyperion Asset Management nominated for Finalist, Domestic Equities Small Cap, Australia. Morningstar Awards 2020©. Morningstar, Inc. All Rights Reserved. Hyperion Asset Management nominated for Finalist, Fund Manager of the Year, Australia. Morningstar Awards 2021 (c). Morningstar, Inc. All Rights Reserved. Hyperion Asset Management has been Awarded the Overall Fund Manager of the Year in Australia. Awarded in both the categories Domestic Equities - Large Cap and Domestic Equities - Small Cap as well as a nominated for the Global Equities category.

# Research & Platform Availability



CERTIFIED BY RIAA

The Hyperion Funds have been certified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program. See [www.responsiblereturns.com.au](http://www.responsiblereturns.com.au) for details.

	Hyperion Global Growth Companies Fund (Managed Fund)^	Hyperion Australian Growth Companies Fund	Hyperion Small Growth Companies Fund
Research			
Platforms	Aegis Asgard Ausmaq BT Panorama BT Wrap CFS FirstWrap CFS First Choice FNZ Group HUB24 Macquarie Wrap M-funds MLC Navigator MLC Wrap Netwealth Praemium Premium Choice	AMP ANZ Asgard Ausmaq BT Panorama BT Wrap CFS FirstWrap FNZ Group Hillross HUB24 IOOF Linear Managed Accounts Macquarie Wrap Mentor (Oasis Badge) MLC Navigator MLC Wrap Netwealth Praemium Premium Choice SimpleWrap	AMP Asgard Ausmaq BT Wrap CFS First Wrap HUB 24 Macquarie Wrap Netwealth PowerWrap

^The name of the fund was changed from Hyperion Global Growth Companies Fund to Hyperion Global Growth Companies Fund (Managed Fund) on 5 February 2021 to facilitate quotation of the fund on the ASX

The Hyperion Global Growth Companies Fund (Managed Fund), Hyperion Australian Growth Companies Fund, and Hyperion Small Growth Companies Fund have been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program See [www.responsiblereturns.com.au](http://www.responsiblereturns.com.au) for details.<sup>1</sup>



# Important Disclaimers

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The investment holdings discussed herein may not represent the entire portfolio of the Hyperion Global VSG Strategy (the “Strategy”), and were selected as representative examples that clarify and typify Hyperion’s investment approach. These investments are meant to show a portion of the Strategy’s portfolios and are not intended to be representative of all current or future investments. Investors should not assume that any of the investments discussed herein will be profitable, or that recommendations made in the future will be profitable or will equal the performance of the investments discussed herein. A complete list of all recommendations made by Hyperion for the Strategy in the prior 12 month period will be provided to investors upon request.

The historical portfolio construction should not be viewed as an indication that future construction will remain the same. Hyperion may modify the Strategy’s portfolio characteristics and exposures at any time and in any manner that it believes is consistent with the overall investment objective and guidelines of the funds within the Strategy, in response to market conditions or other factors without notice to investors.

Hyperion will endeavor to remain within the risk control parameters disclosed above with respect to the Hyperion Global VSG Strategy. However, such parameters are subject to change in the future in response to market conditions or other factors, in Hyperion’s discretion. Accordingly, no undue reliance or any conclusions can or should be drawn regarding the past, present, or future portfolio holdings, exposures or allocations of the Hyperion Global VSG Strategy.

In general, Hyperion has broad and flexible investment authority over the investments made within the Hyperion Global VSG Strategy. The information herein regarding portfolio holdings, exposures and allocations may change in the future in response to market conditions or other factors, in Hyperion’s discretion. Accordingly, no undue reliance or any conclusions can or should be drawn regarding the past, present, or future portfolio holdings, exposures or allocations of the Hyperion Global VSG Strategy.

The MSCI World Index is a free-float adjusted market capitalization weighted index that is designed to measure the equity performance of 23 developed markets. Comparison of the Hyperion Global VSG Strategy’s performance to benchmark returns has limitations because indices have volatility and other material characteristics that may differ from the Hyperion Global VSG Strategy. Furthermore, a fund or an account in the Hyperion Global VSG Strategy may hold substantially fewer positions than the MSCI World Index and certain or all of the securities held by the indexes may not be held by a fund in the Hyperion Global VSG Strategy. Because of these differences, among others, benchmarks should not be relied upon as an accurate measure of comparison. Indices are provided for illustrative purposes only, are unmanaged, reflect reinvestment of income and dividends and do not reflect the impact of advisory fees. Investors cannot invest directly in an index.

Net performance is shown net of fees charged to clients and the performance has been reduced by the maximum investment management fee of 0.80% p.a. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Fees are available upon request.

Gross performance is shown gross of fees and does not reflect the payment of investment advisory fees and other expenses. Displayed performance for the Hyperion Global VSG Strategy reflects the reinvestment of dividends and other earnings.

Past performance is not a reliable indicator of future performance. The projections, market outlooks, or estimates in this presentation are forward-looking statements and are based upon certain assumptions and should not be construed as indicative of actual events that will occur.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. All investments include a risk of loss that clients and investors should be prepared to bear. The principal risks of investment strategies employed by Hyperion are disclosed in its publicly available Form ADV Part 2A and relevant offering materials.

# Important Disclaimers

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# HYPERION

ASSET MANAGEMENT

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