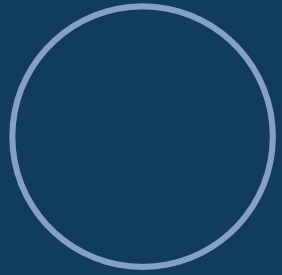




Pinnacle Summit  
September 2023



# The Relationship Between Growth, Inflation, Interest Rates and Valuations

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# Annual Inflation Has Been Trending Downwards

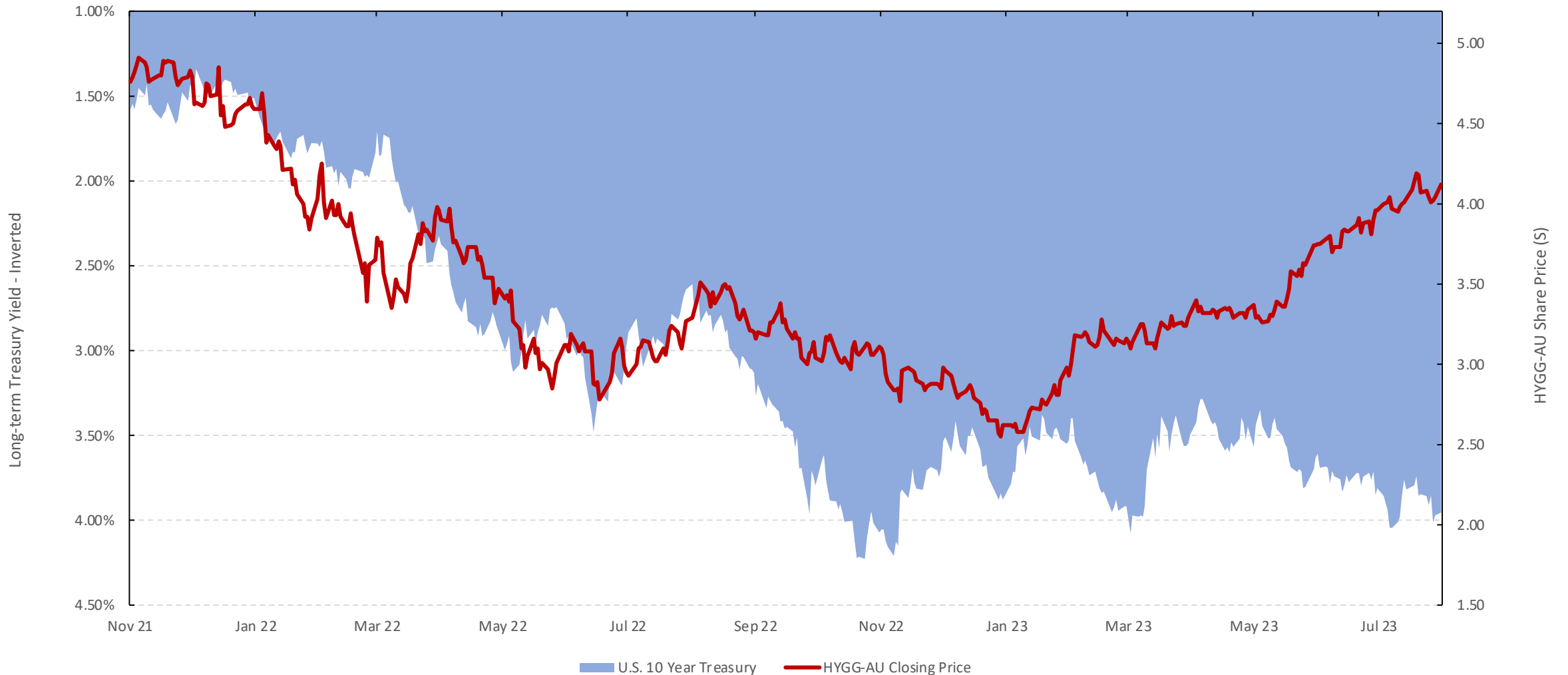


# 10 Year Government Bond Yield to Maturity

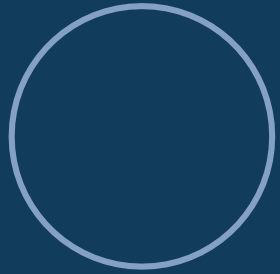


# Effect of Interest Rates on Performance

Hyperion Global Growth Companies Fund (Managed Fund)\* listed share price vs long-term bond yields



Source: Hyperion, FactSet. HYGG is the ticker for the Hyperion Global Growth Companies Fund (Managed Fund) active Exchange Traded Fund listed on the ASX. Data to 31<sup>st</sup> July 2023. \*The name of the fund was changed from Hyperion Global Growth Companies Fund – Class B to Hyperion Global Growth Companies Fund (Managed Fund) on 5 February 2021 to facilitate quotation of the fund on the ASX.



# Long-Term “Signal” versus Short-Term “Noise”

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# The Hyperion Advantage

## Inefficiencies we exploit:



### Time Arbitrage – duration advantage

- Beat the fade
- Long-term view



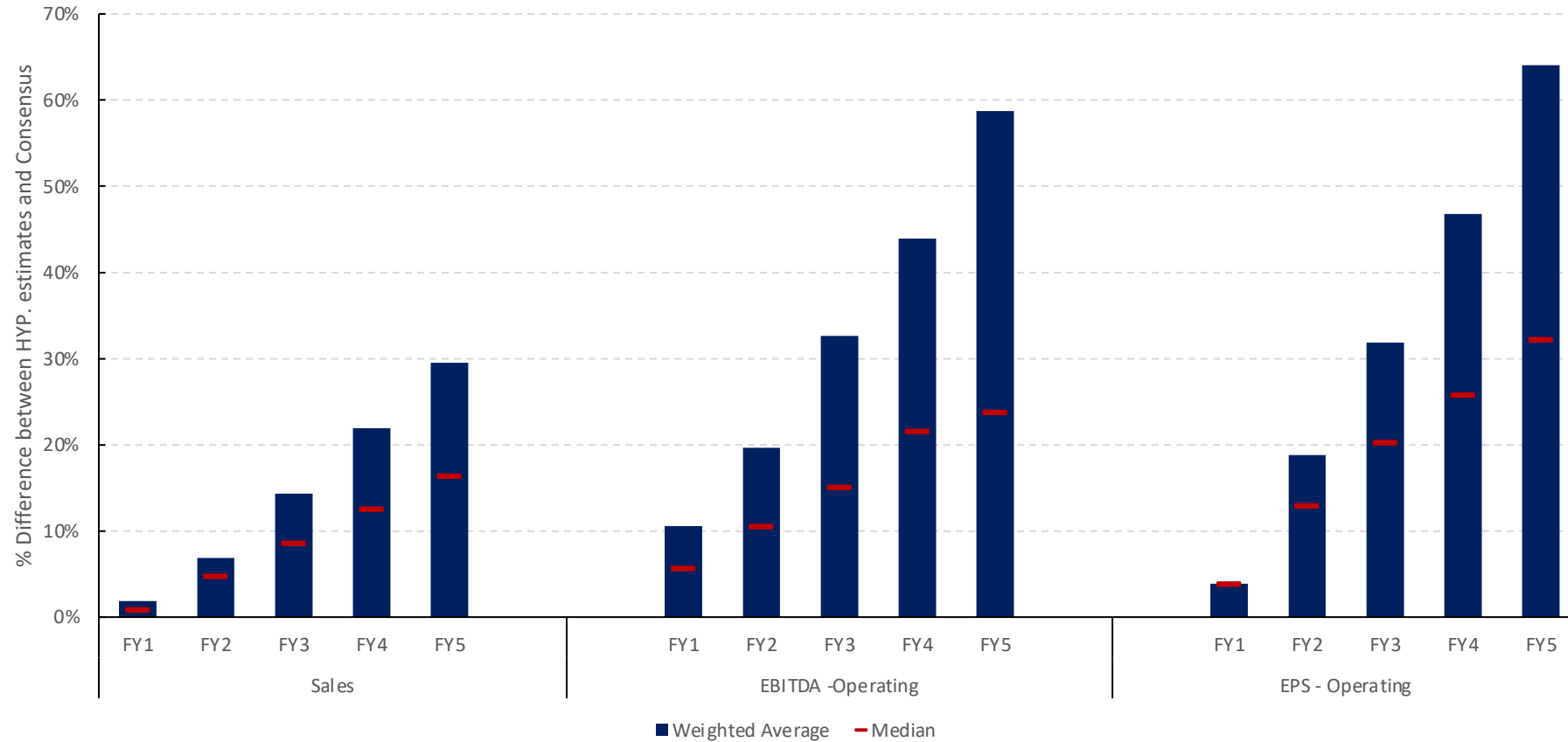
### Quality Anomaly – exploit false narratives

- Extensive financial modelling
- Deep qualitative insights

# Hyperion Global Strategy Financial Estimates vs. Consensus

## The Hyperion advantage: time arbitrage

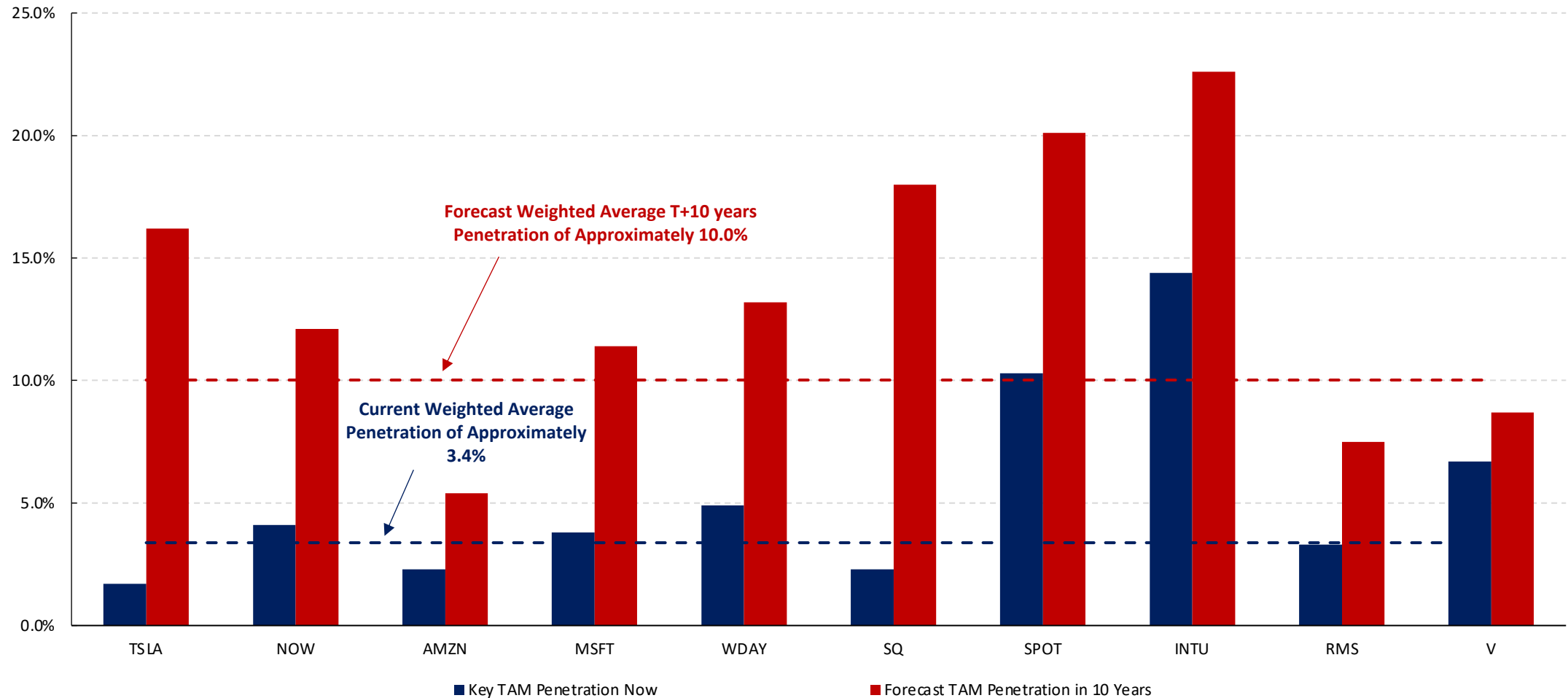
Hyperion estimates vs. VA consensus – Hyperion Global Strategy portfolio level

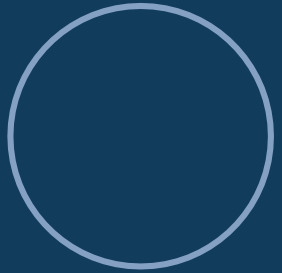




# Penetration of Key Total Addressable Market for Top 10 Holdings over Time

## Top 10 Global Holdings - TAM Penetration Now and T+10 years

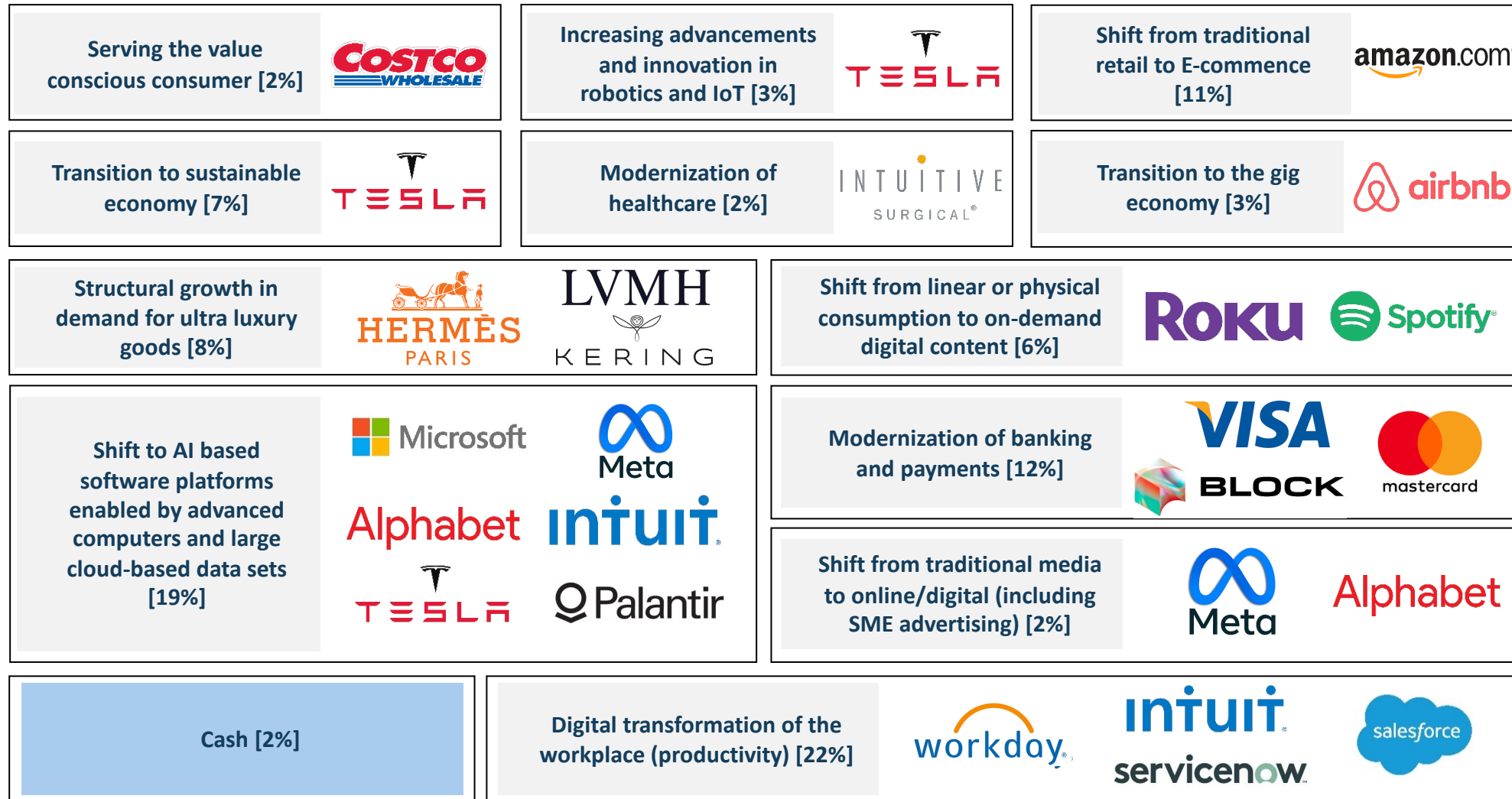




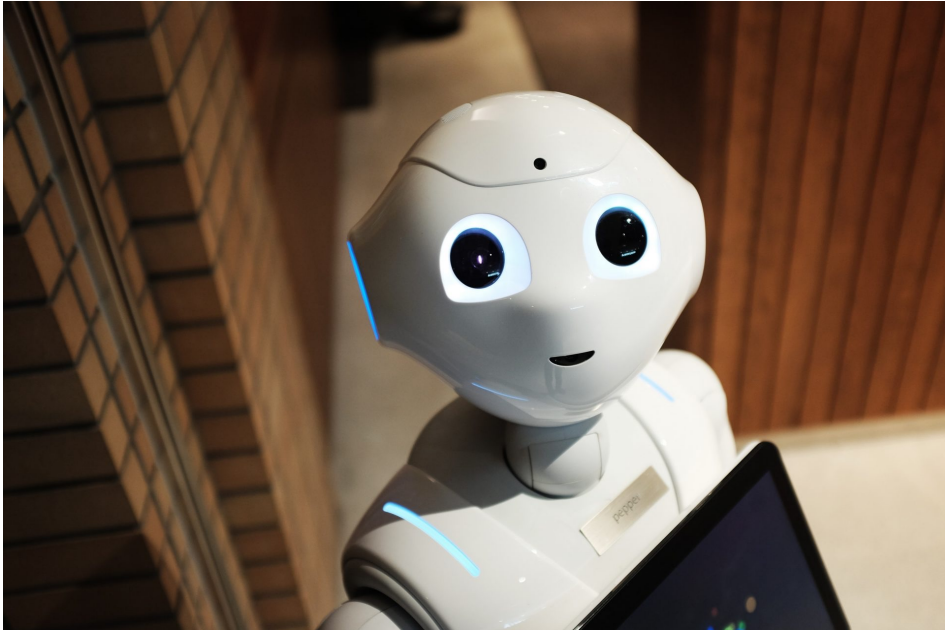
# Selling the Future to Buy the Past

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# Long-term Thematics That Are Delivering Alpha, Diversifying and Reducing Portfolio Risk



# Artificial Intelligence & Machine Learning Insights

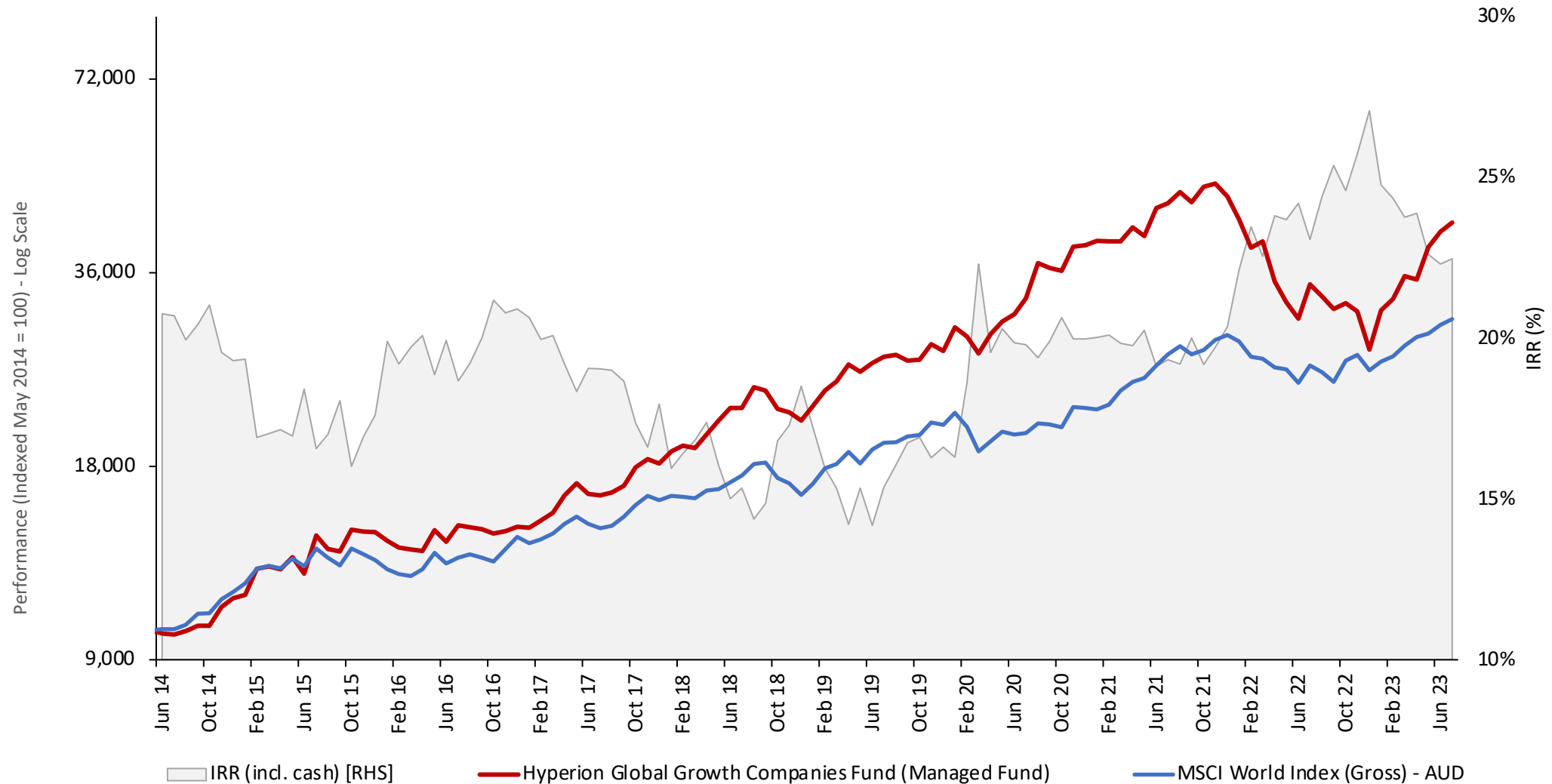


Hyperion believes there are three key benefits from AI/ML usage:

- 1. Productivity benefits.**
  - Automating processes.
- 2. Incremental revenue opportunity.**
  - Monetise AI/ML capabilities with additional pricing tiers.
  - Low or no customer acquisition costs.
- 3. Strengthen their sustainable competitive advantages.**
  - Stronger offerings with imbedded optionality.



# Hyperion Global Growth Companies Fund (Managed Fund) Performance and IRR



Past performance and IRR is not a reliable indicator of future performance. Data as at 31<sup>st</sup> July 2023. Inception date: 1<sup>st</sup> June 2014 – the date the composite strategy was first implemented.

^The name of the fund was changed from Hyperion Global Growth Companies Fund – Class B to Hyperion Global Growth Companies Fund (Managed Fund) on 5 February 2021 to facilitate quotation of the fund on the ASX. Source: Hyperion, MSCI.

# The Bottom Line for Growth Equities

1. The relationship between growth, inflation, interest rates and valuations
  - Stability in 10-year bond yields is key.
  - Where yields land isn't overly important over the long run.
  - PEs don't compound however; they do mean revert.
2. Long-Term "Signal" versus Short-Term "Noise"
  - Company fundamentals will drive returns over the long term.
3. Selling the Future to Buy the Past.
  - Unless we revert to a world of previous generations, high quality structural growth companies will lead the way.
  - Equity returns are driven by the few not the average – back the winners!

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

Benjamin Graham

The Intelligent Investor

# Hyperion Fund Performance – 31 July 2023

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

Net Performance (%)	Inception* Total Return	Inception* p.a.	20 Year p.a.	15 Year p.a.	10 Year p.a.	7 Year p.a.	5 Year p.a.	3 Year p.a.	1 year	CYTD
<b>Hyperion Australian Growth Companies Fund</b>	<b>837.5</b>	<b>11.3</b>	<b>11.4</b>	<b>10.8</b>	<b>10.7</b>	<b>8.8</b>	<b>10.4</b>	<b>8.2</b>	<b>12.9</b>	<b>20.5</b>
S&P/ASX 300 Accumulation Index	496.3	8.9	8.9	7.1	8.3	8.4	7.5	11.9	11.0	7.4
<i>Excess Performance</i>	<i>341.2</i>	<i>2.4</i>	<i>2.5</i>	<i>3.7</i>	<i>2.4</i>	<i>0.4</i>	<i>2.8</i>	<i>-3.7</i>	<i>1.8</i>	<i>13.1</i>

Net Performance (%)	Inception* Total Return	Inception* p.a.	20 years p.a.	15 years p.a.	10 years p.a.	7 year p.a.	5 year p.a.	3 years p.a.	1 year	CYTD
<b>Hyperion Small Growth Companies Fund</b>	<b>1529.2</b>	<b>14.3</b>	<b>14.7</b>	<b>13.8</b>	<b>11.2</b>	<b>9.4</b>	<b>11.0</b>	<b>9.0</b>	<b>18.8</b>	<b>21.7</b>
S&P/ASX Small Ordinaries Accumulation Index	275.6	6.6	6.1	3.1	6.2	5.1	3.2	5.9	0.8	4.9
<i>Excess Performance</i>	<i>1253.4</i>	<i>7.8</i>	<i>8.6</i>	<i>10.7</i>	<i>5.0</i>	<i>4.3</i>	<i>7.8</i>	<i>3.1</i>	<i>18.0</i>	<i>16.6</i>

\$AUD Net Performance (%)	Inception* Total Return	Inception* p.a.	7 Year p.a.	5 Year p.a.	3 Year p.a.	1 Year	CYTD
<b>Hyperion Global Growth Companies Fund (Managed Fund)<sup>^</sup></b>	<b>330.6</b>	<b>17.3</b>	<b>16.8</b>	<b>14.2</b>	<b>9.4</b>	<b>24.7</b>	<b>57.6</b>
MSCI World Index <sup>1</sup>	204.8	12.9	13.0	11.9	14.6	18.1	20.1
<i>Excess Performance</i>	<i>125.7</i>	<i>4.3</i>	<i>3.8</i>	<i>2.3</i>	<i>-5.1</i>	<i>6.6</i>	<i>37.5</i>

Past performance is not a reliable indicator of future performance. Data as at 31<sup>st</sup> July 2023

<sup>\*</sup>Inception date: 30<sup>th</sup> 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.

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

<sup>2</sup>Inception date: Inception date: 1<sup>st</sup> 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. <sup>^</sup>The name of the fund was changed from Hyperion Global Growth Companies Fund – Class B to Hyperion Global Growth Companies Fund (Managed Fund) on 5 February 2021 to facilitate quotation of the fund on the ASX. Source: Hyperion, MSCI.

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