

OBJECTIVE: LONG-TERM CAPITAL GROWTH AND INCOME BY INVESTING IN HIGH CALIBRE AUSTRALIAN COMPANIES PRIMARILY LISTED WITHIN THE S&P/ASX 300 INDEX AT THE TIME OF INVESTMENT.



High-conviction portfolio of quality Australian listed equities from a research driven, bottom-up investment philosophy

Our Philosophy

The highest proven quality businesses with the strongest competitive advantages and organic growth opportunities produce superior shareholder returns over the long-term.

Long term capital preservation is paramount.

We believe companies in our portfolio have:

- Predictable earnings
- Low debt
- High interest cover
- Sustainable competitive advantages
- High return on capital
- Strong free cash flow
- Organic growth options
- Experienced and proven management teams

Global Market Overview

Global equity market indices broadly extended their gains for a third consecutive month, despite inflation fears in the U.S. and a new wave of COVID-19 infections dominating headlines across Europe. In the U.S., the S&P 500 Index returned +5.3% with data revealing that the unemployment rate was little changed at 6.1% in April, the IHS Markit Composite PMI increased to 63.5 in April, and the advanced GDP report indicated an annualised gain of 6.4%. In addition, the Federal Reserve left rates unchanged, acknowledging that the economy was improving whilst continuing to buy at least US\$120b of bonds each month. In Europe, the FTSE 100, Euro STOXX 50, and German DAX indices returned +4.1%, +1.9% and +0.8%, respectively. During the month, the IHS Markit Eurozone Composite PMI increased to 53.8 in April, with manufacturing continuing to perform strongly whilst services improved despite the negative impacts of ongoing lockdowns in the region. Furthermore, the European Central Bank held its refinancing operations, marginal lending facility and deposit facility rates at 0.00%, 0.25% and -0.50%, respectively, and will continue to conduct net asset purchases under the pandemic emergency purchase programme worth €1,850b until March 2022. In Australia, the S&P/ASX 300 Index returned +3.7%. Economic data revealed that the unemployment rate fell to 5.6% and dwelling prices increased 1.7% in April after a 2.6% increase during March, the strongest monthly increase since 1988. In addition, the Reserve Bank of Australia left its policy settings unchanged noting that the economic recovery was well under way and had been stronger than expected. Information Technology (+9.8%), Materials (+7.5%) and Industrials (+4.1%) were the best performing S&P/ASX 300 Index sectors. Energy (-4.7%), Communication Staples (-2.4%) and Utilities (-1.2%) were the worst performers. Bulk commodity prices were broadly up during the month, whilst the U.S. dollar weakened against all G10 currencies.

Performance

	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	7 Years (p.a.)	10 Years (p.a.)	15 Years (p.a.)	Since Inception* (p.a.)	Inception* [^]
Portfolio – Net (%)	8.5	4.3	46.1	21.6	15.3	13.4	13.3	10.8	12.9	854.9
Benchmark (%) ¹	3.7	7.6	31.6	9.7	10.4	8.1	8.3	6.4	9.3	419.4
Relative Performance – Net (%)	4.8	-3.4	14.5	11.9	4.9	5.3	5.0	4.4	3.6	435.5

1. S&P/ASX 300 Accumulation Index. *Inception date: 30th September 2002. ^Total return. All p.a. returns are annualised.

Returns are net of applicable fees, costs and taxes.

Past performance is not a reliable indicator of future performance.

Data as at 30th April 2021. Due to rounding, excess performance figures may not equate perfectly to the difference between Hyperion Australian Growth Companies Performance and the S&P/ASX 300 Accumulation Index Performance.



Hyperion named Winner
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Hyperion named Category Winner
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DOMESTIC EQUITIES LARGE CAP
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PORTFOLIO HOLDINGS UPDATE

Afterpay Limited (APT-AU)

Primary Exchange	ASX
GICS Sector	Information Technology
Market Cap (AUD\$m)	34,050



Afterpay Limited (Afterpay) provided a business update for the third quarter ended 31 March 2021. The company reported underlying sales had grown 104% from the prior corresponding period to AU\$5.2 billion. Active customers reached 14.6 million at the end of March, with North America and the United Kingdom segments comprising 9.3 million and 1.8 million, respectively. Active merchants increased by 77% to 85.8 thousand as Afterpay saw a number of major enterprise retailers launch across all regions during the period. The company continues to deliver value to merchants through the Shop Directory, Afterpay App, and the network effect of its platform by driving new customers to merchants who often make larger and more frequent purchases. Afterpay expects in-store volumes to increase in the Australia and New Zealand segment with the launch of the Afterpay Card in late March. Furthermore, in-store sales are now back to pre-COVID-19 levels in the region. Management noted the potential for Afterpay to list in the United States given the large and growing revenue contribution from this market, while maintaining that the business intends to remain headquartered in Australia. The company highlighted its partnership with Adyen NV (Adyen), a global merchant payment platform based in the Netherlands, with operations in North America, the United Kingdom as well as Australia and New Zealand. The partnership provides merchants using Adyen with the ability to offer Afterpay to their customers. Afterpay also highlighted its Economic Impact report, independently commissioned earlier in April, quantifying the estimated economic benefit of Afterpay's services in the Australian market to merchants and consumers.

HUB24 Limited (HUB-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (AUD\$m)	1,727



HUB24 Limited (HUB24) released a market update for the third quarter ended 31 March 2021, announcing funds under administration (FUA) of \$51.4b, an increase of \$20.1b or 64% for the quarter. On an annual basis, FUA increased by \$36.1b or 237% and net inflows were up 41% to \$1.9b. The elevated FUA level included contributions from Xplore Wealth Limited (Xplore) of \$17.2b. Additionally, 478 new advisers, 293 of which were part of the Xplore acquisition, were introduced to the platform during the quarter, increasing the company's adviser base by 21% to 2,758 advisers, while 28 new licensee agreements with both large boutique licensees and self-licensed practices, as well as a new distribution agreement with an existing Xplore client were signed. At the industry level, the latest Strategic Insights quarterly platform market update revealed that HUB24 increased its market share to 2.5% as at December 2020, which when combined with Xplore's market share of 1.85%, increased HUB24's total market share to approximately 4.3%. During the quarter, the company completed the proportional takeover in Easton Investments Limited and now has a 31.5% ownership, the Xplore team transitioned across to join HUB24, and the PARS separation from Ord Minnett systems onto HUB24 was progressed.

Netwealth Group Limited (NWL-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (AUD\$m)	3,630



Netwealth Group Limited (Netwealth) released a market update for the third quarter ended 31 March 2021, reporting funds under administration (FUA) of \$41.8b, an increase of \$3.0b or 8% for the quarter. On an annual basis, FUA increased by \$14.0b or 50%. Additionally, the company's funds under management (FUM) increased by \$1.2b or 13% to \$10.5b during the quarter. Annually, FUM has grown by \$4.2b or 66%. Netwealth's platform member accounts also achieved strong growth during the quarter, increasing by 3,819 accounts or 4% to 92,008 member accounts. Based on the latest Strategic Insights quarterly platform market update, Netwealth increased its market share to 4.3% as at December 2020, achieving net flows of +\$2.6b during the quarter, making it the 7th largest as well as the fastest growing platform in Australia. In addition, the Investment Trends 2020 Platform Benchmarking Report ranked Netwealth first in the industry for transaction tools, reporting, product offering, and decision support tools. Management noted that it expects full year FUA net inflows to be approximately \$9b, an increase from the previously guided range of between \$8.5b and \$9b.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Afterpay Ltd	11.6	1.3
Xero Ltd	11.2	0.8
CSL Ltd	7.6	6.0
James Hardie Industries	7.0	0.9
Seek Ltd	6.5	0.5

Top 5 Contributors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Afterpay Ltd	146.4	8.3	9.4
Xero Ltd	78.0	9.2	6.8
Domino's Pizza Ltd	83.7	7.4	5.7
Wisetech Global Ltd	69.1	8.3	5.0
James Hardie Industries	91.3	6.6	5.0

Detractors

Altium	-13.2	2.3	-0.1
Brambles Ltd	-6.1	2.2	-0.1
Technology One Ltd	-0.2	2.0	-0.3
IRESS Ltd	-11.2	1.3	-0.3
CSL Ltd	-12.4	7.9	-1.6

* Stock not currently held

Market Capitalisation

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	27.0	57.5	-30.5	4
S&P/ASX 21-50	25.4	16.5	8.9	4
S&P/ASX 51-100	35.2	13.4	21.8	8
S&P/ASX 101-300	6.8	12.6	-5.8	7
Cash	5.6	--	5.6	--
Total	100.0	100.0	--	23

Portfolio weights may not equate to 100.0% due to rounding.

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	11.8	4.2
Consumer Discretionary	5.3	8.0
Financials	9.4	29.2
Health Care	28.5	9.9
Industrials	1.6	6.9
Information Technology	30.9	4.5
Materials	7.0	20.8
Cash	5.6	--

Portfolio weights may not equate to 100.0% due to rounding.

Fund Characteristics

Universe	S&P/ASX 300
Launch	Managed by Hyperion since September 2002, launched October 1996
Fees	MER 0.95%
Distribution	AUD 0.4324 CPU at 31 March 2021 AUD 0.7676 CPU at 30 September 2020 AUD 51.4675 CPU at 30 June 2020 AUD 0.2551 CPU at 31 March 2020
Fund Size	\$2,249.6 million
APIR Code	BNT0003AU
The Fund's PDS contains more complete information on risks and fees	

CONTACT US

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