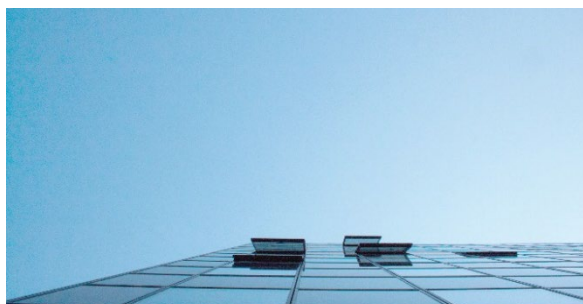


**OBJECTIVE:** LONG-TERM CAPITAL GROWTH BY INVESTING IN HIGH CALIBRE AUSTRALIAN COMPANIES PRIMARILY LISTED WITHIN THE S&P/ASX 300 INDEX AT THE TIME OF INVESTMENT.



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 declined during November as the discovery and spread of a new COVID-19 variant named “Omicron” dominated headlines. In the U.S., the S&P 500 Index returned -0.7% with economic data revealing the unemployment rate fell to 4.2% in November, the IHS Markit Composite PMI decreased to 57.2 in November, and real GDP increased at an annual rate of 2.1% during the third quarter of 2021. In addition, the Federal Reserve announced its intention to commence tapering of its monetary stimulus program by reducing its monthly asset purchases by US\$15b per month. In Europe, the FTSE 100, German DAX, and Euro STOXX 50 indices returned -2.2%, -3.8% and -4.3%, respectively. During the month, the IHS Markit Eurozone Composite PMI increased to 55.4, seasonally adjusted GDP increased by 2.2% during the third quarter of 2021, and the unemployment rate fell to 7.3% in October. In Australia, the S&P/ASX 300 Index returned -0.5%. Economic data revealed the unemployment rate increased to 5.2% in October and the Markit Composite PMI increased to 55.7 in November. Materials (+6.0%), Communication Services (+4.7%), and Consumer Staples (+4.1%) were the best performing S&P/ASX 300 Index sectors, whilst Energy (-7.8%), Financials (-6.9%), and Consumer Discretionary (-1.5%) were the worst performers. The U.S. dollar was stronger against most G10 currencies during November, except against the Japanese Yen.

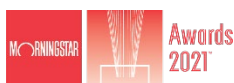
**Performance**

	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* <sup>^</sup>
<b>Portfolio – Net (%)</b>	<b>-0.7</b>	<b>-1.8</b>	<b>23.8</b>	<b>26.1</b>	<b>18.2</b>	<b>15.5</b>	<b>17.0</b>	<b>11.0</b>	<b>13.3</b>	<b>997.1</b>
Benchmark (%) <sup>1</sup>	-0.5	-2.3	16.0	12.9	10.3	9.1	10.3	6.3	9.3	450.7
Relative Performance – Net (%)	-0.1	0.5	7.7	13.2	7.9	6.5	6.7	4.7	4.0	546.4

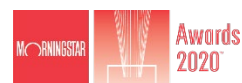
1. S&P/ASX 300 Accumulation Index. \*Inception date that Hyperion became Investment Manager: 30<sup>th</sup> September 2002. <sup>^</sup>Total return. All p.a. returns are annualised. Returns are net of applicable fees, costs and taxes. Past performance is not a reliable indicator of future performance. Data as at 30<sup>th</sup> November 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  
FUND MANAGER OF THE YEAR  
Morningstar 2021 Awards, Australia.



Hyperion named Category Winner  
DOMESTIC EQUITIES LARGE CAP  
Morningstar 2021 Awards, Australia.



Hyperion named Category Winner,  
DOMESTIC EQUITIES LARGE CAP  
Morningstar 2020 Awards, Australia.

## PORTFOLIO HOLDINGS UPDATE

### REA Group Limited (REA-AU)

Primary Exchange	ASX
GICS Sector	Communication Services
Market Cap (AUD\$m)	21,455



REA Group Ltd (REA) released a trading update for the first quarter ended 30 September 2021, reporting year-on-year (YoY) revenue growth of 22% to \$264m and EBITDA growth of 27% to \$158m. The result was strong despite prolonged NSW and VIC lockdowns, primarily driven by listings growth, depth of penetration across all states and contracted price rises effective 1 July. Over the quarter, national listings were up 11%, and buyer enquiries rose to record levels, up 61% YoY. REA continues to lead Australia's property engagement, receiving 3.3x more visits than its nearest competitor, with 12.6 million people visiting realestate.com.au each month during the quarter. Total app downloads were up 9% to 11.3m, average monthly app launches increased 17% to 58.5m, and average monthly visits were up 13% to 129m. Additionally, performance was strong for REA India, rebounding from COVID-19 related impacts in FY21 with housing.com delivering audience growth of 65%.

### Xero Limited (XRO-AU)

Primary Exchange	ASX
GICS Sector	Information Technology
Market Cap (AUD\$m)	21,543



Xero Limited (Xero) released a market update for the half year ended 30 September 2021, announcing YoY operating revenue growth of 23% to NZ\$505.7m, gross margin expansion of 140bps to 87.1%, and total subscriber growth of 23% to 3.0m. Additionally, Xero reported a record low average monthly churn rate of 0.88% over the previous 12 months. Geographically, Australia and New Zealand revenue grew by 20% to NZ\$297m and total subscribers rose 20% to 1.72m YoY. Average revenue per user (ARPU) increased 2% to NZ\$31.38, driven by a price increase in September 2021 across Xero Business Edition plans. The company's international segment achieved operating revenue growth of 28% to NZ\$208.9m and total subscribers increased by 26% to 1.29m YoY. International ARPU increased 10% to NZ\$31.25 due to price increases for the UK Xero Business Edition platform. Management also announced the acquisition of LOCATE Inventory, a US cloud-based provider of real time inventory management software. Total consideration for the acquisition is US\$19m and will provide Xero with improved ecommerce capabilities.

### James Hardie Industries plc (JHX-AU)

Primary Exchange	ASX
GICS Sector	Materials
Market Cap (AUD\$m)	24,780



James Hardie Industries plc (James Hardie) released its results for the second quarter ended 30 September 2021, reporting YoY net sales growth of 23% to US\$903.2m, adjusted EBIT growth of 26% to US\$205.7m and adjusted NPAT growth of 29% to US\$154.9m. Geographically, the North American Fibre Cement segment achieved net sales growth of 23% to US\$635.3m, driven in part by volume growth of 14%. Price/mix growth was 9% and is expected to continue into FY23 with a 5% price increase set to take effect in January 2022. The Asia Pacific Fibre Cement segment increased net sales 15% to AU\$196.6m and the EBIT margin expanded 120bps to 30.8%, driven in part by a price/mix increase of 9% across ANZ. In Europe, the Building Products segment achieved net sales growth of 24% to €104.6m on the back of Price/Mix growth of 8% and EBIT margin expansion to 13.6% after fibre cement and fibre gypsum sales grew 40% and 20% respectively. Management provided FY22 guidance, which included upgrading NPAT outlook to US\$580m-US\$600m (from US\$550m-US\$590m). The company also announced a first half ordinary dividend of 40c payable on the 17 December.

## Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Xero Ltd	10.5	0.9
ResMed Inc.	10.4	0.7
Afterpay Ltd	10.1	1.3
CSL Ltd	9.0	6.6
Macquarie Group Ltd	6.8	3.3

## Top 5 Contributors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Domino's Pizza Ltd	75.2	5.3	4.3
Resmed Inc.	28.4	7.8	3.7
Afterpay Ltd	14.6	10.8	3.5
James Hardie Industries	41.1	6.9	2.8
Wisetech Global Ltd	69.8	6.4	2.6

Detractors			
	Price change (%)	Avg Weight (%)	Contribution to return (%)
Fisher & Paykel Ltd	-5.3	6.1	-0.8
Nanosonics Ltd	-18.0	1.8	-0.7
GQG Partners Inc.	-8.5	0.2	-0.2
Netwealth Group Ltd	-2.2	1.1	-0.1
Brambles Ltd	-8.7	1.7	0.0

All data as at 30<sup>th</sup> November 2021

\*Stock no longer held in the portfolio

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## Market Capitalisation

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	31.6	55.4	-23.8	4
S&P/ASX 21-50	29.6	18.2	11.4	5
S&P/ASX 51-100	26.8	12.5	14.3	7
S&P/ASX 101-200	4.2	9.9	-5.7	5
S&P/ASX 201-300	--	3.6	-3.6	--
Ex S&P/ASX 300	2.0	0.3	1.7	1
Cash	5.9	--	5.9	--
Total	100	100		22

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

## Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	8.9	4.5
Consumer Discretionary	7.2	8.4
Financials	10.4	28.1
Health Care	29.5	10.7
Industrials	1.5	7.3
Information Technology	30.8	5.0
Materials	5.8	18.7
Cash	5.9	--

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

## Fund Characteristics

<b>Universe</b>	S&P/ASX 300
<b>Launch</b>	Managed by Hyperion since September 2002, launched October 1996
<b>Fees</b>	MER 0.95%
<b>Distribution</b>	AUD 0.6988 CPU at 30 September 2021 AUD 86.6742 CPU at 30 June 2021 AUD 0.4324 CPU at 31 March 2021 AUD 0.7676 CPU at 30 September 2020
<b>Fund Size</b>	\$2,681.8 million
<b>APIR Code</b>	BNT0003AU

The Fund's PDS contains more complete information on risks and fees

#### **DISCLAIMER – HYPERION AUSTRALIAN GROWTH COMPANIES FUND**

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