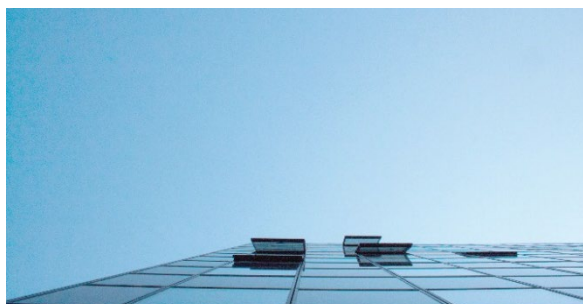


**OBJECTIVE:** LONG-TERM CAPITAL GROWTH BY INVESTING IN HIGH CALIBRE AUSTRALIAN COMPANIES PRIMARILY LISTED WITHIN THE S&P/ASX 300 INDEX AT THE TIME OF INVESTMENT.



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

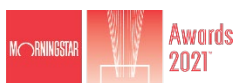
**Global Market Overview**

Global equity indices broadly rose during the month. The International Monetary Fund reduced its 2021 annual global growth forecast from 6.0% to 5.9%, warning of repercussions for global equity and housing markets as major central banks wind back pandemic related support programs. In the U.S., the S&P 500 Index returned +7.0% during October. An advance estimate revealed real gross domestic product annual growth of 2.0% in the third quarter of 2021. In September, unemployment declined by 0.4% to 4.8%, non-farm payroll employment rose by 194,000 jobs, and the Consumer Price Index (CPI) rose by 5.4% year-over-year before seasonal adjustments. Energy and Food items within the index increased by 24.8% and 4.6% respectively over the period. In Europe, the Euro STOXX 50, German DAX and FTSE 100 returned +5.2%, +2.8% and +2.2%, respectively. Euro Area GDP grew by 2.2% in the September quarter, and increased 3.7% over the prior corresponding period. Preliminary estimates showed annual inflation is expected to be 4.1% in October, reflecting the highest level since July 2008. Elevated inflation levels were driven by Energy index items which rose at an annual rate of 23.5%. In Australia, the S&P/ASX 300 Index returned +0.1%. The unemployment rate rose marginally from August levels to 4.6% in September. CPI growth moderated to 3.0% in the third quarter on an annual basis. The RBA's Trimmed Mean and Weighted Median CPI measures rose at their highest annual rates since the third quarter of 2015, both reaching 2.1%. Retail sales rebounded over the month in September increasing by 1.3%. Information Technology (+2.4%), Health Care (+0.9%), and Financials (+0.8%) were the best performing S&P/ASX 300 Index sectors, whilst Industrials (-3.2%), Consumer Staples (-2.3%), and Energy (-1.9%) were the worst performers. The U.S. dollar was weaker against most G10 currencies during October, except against the Japanese Yen and the Euro.

**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>1.3</b>	<b>12.4</b>	<b>31.6</b>	<b>27.0</b>	<b>18.8</b>	<b>15.5</b>	<b>16.5</b>	<b>11.3</b>	<b>13.4</b>	<b>1004.4</b>
Benchmark (%) <sup>1</sup>	0.1	0.8	28.6	12.3	11.0	8.6	10.0	6.5	9.4	453.6
Relative Performance – Net (%)	1.2	11.6	3.0	14.7	7.8	6.8	6.4	4.8	4.0	550.8

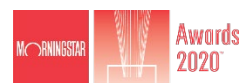
1. S&P/ASX 300 Accumulation Index. \*Inception date that Hyperion became Investment Manager: 30<sup>th</sup> September 2002. <sup>^</sup>Total return. All p.a. returns are annualised. Returns are net of applicable fees, costs and taxes. Past performance is not a reliable indicator of future performance. Data as at 31<sup>st</sup> October 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

### Netwealth Group Limited (NWL-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (AUD\$m)	4,218



Netwealth Group Limited (Netwealth) released a market update for the first quarter ended 30 September 2021, reporting Funds Under Administration (FUA) of \$52.0bn, an increase of \$4.8bn or 10.2% for the quarter. On an annual basis, FUA increased by \$17.9bn or 52.7%. Additionally, the company's Funds Under Management (FUM) increased by \$0.9bn or 7.6% to \$12.6bn during the quarter. Annually, FUM has grown by \$4.6bn or 56.9%. Netwealth's platform member accounts also achieved strong growth during the quarter, increasing by 4,985 accounts or 5.1% to 102,304 member accounts. Netwealth increased its market share to 4.9% as at June 2021, up 1.0% from 12 months prior, making it the sixth largest, and fastest growing platform provider by net funds flows in Australia. Following the strong September flows and new business pipeline, management have upgraded the FY22 FUA net inflow guidance from \$10.0bn to \$12.5bn.

### Macquarie Group Limited (MQG-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (AUD\$m)	72,964



Macquarie Group Limited (Macquarie) released its 1H22 result for the period ended 30 September 2021. The business reported a net profit after tax of \$2,043m, in line with 2H21 and a 107% increase on 1H21. Macquarie increased net operating income by 41%, with all four of Macquarie's operating groups producing strong results against the prior corresponding period. The company reported net profit growth of 23% in Macquarie Asset Management (MAM), 52% in Banking and Financial Services (BFS), 60% for Commodities and Global Markets (CGM) and a \$468m net profit contribution from Macquarie Capital (MacCap), improving from a \$189m loss in 1H21. The annuity style businesses (MAM, BFS and CGM) generated a combined net profit of \$2,517m, up 57% on 1H21 and 47% on 2H21. Annuity style activities now represent 63% of overall profit, increasing from 54% at the end of FY21. Macquarie's regulatory ratios were above minimum threshold levels, reporting a Basel III Level 2 CET1 ratio of 11.7% as at the end of September. Alongside the result Macquarie announced a \$1.5bn capital raise through an institutional placement and will also offer a corresponding share purchase plan. The capital raise will provide additional flexibility and capacity to invest in new opportunities across the company's four operating groups.

### HUB24 Limited (HUB-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (AUD\$m)	2,174



HUB24 Limited (HUB24) released a market update for the first quarter ended 30 September 2021 announcing Funds Under Administration (FUA) of \$63.1bn, an increase of \$4.5bn or 7.6%. Platform FUA increased by \$3.9bn or 9.0% for the quarter to \$45.4bn. On an annual basis, platform FUA increased by \$26.3bn or 139%. Portfolio, Administration and Reporting Services (PARS) FUA grew by 3.3% to \$17.8bn over the quarter. Additionally, 158 new advisers were introduced to the platform during the quarter, increasing the company's adviser base by 5.2% to 3,221 advisers, while 30 new licensee agreements with self-licensed advisers, boutiques and an advice aggregator were signed off. At the industry level, the latest Strategic Insights quarterly platform market update revealed that HUB24 achieved first place for share of new inflows in the June 2021 quarter and increased its market share to 4.3% as at June 2021, up 2.2% from 12 months prior.

## Top 5 Holdings

	Portfolio (%)	Benchmark (%)
ResMed Inc.	10.8	0.7
Afterpay Ltd	10.6	1.4
Xero Ltd	10.1	0.9
CSL Ltd	8.9	6.3
Macquarie Group Ltd	6.9	3.2

## Top 5 Contributors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Afterpay Limited	27.5	11.0	4.6
Xero Limited	35.7	10.1	4.4
Resmed Inc.	33.1	7.3	4.0
Wisetech Global Ltd.	76.8	6.7	3.4
James Hardie Industries	49.4	6.9	3.4

Detractors			
	Price change (%)	Avg Weight (%)	Contribution to return (%)
Ramsay Health Care Ltd	1.4	0.5	0.0
Altium Ltd	-1.2	1.8	-0.0
Nanosonics Ltd	15.6	1.8	-0.1
Netwealth Group Ltd	0.1	1.2	-0.2
Fisher & Paykel Ltd	-10.3	6.4	-1.0

All data as at 31st October 2021

\*Stock no longer held in the portfolio

### CONTACT US

#### HYPERION DISTRIBUTION

Jolon Knight  
 Mob: 0414 805 862  
 Jolon.knight@hyperion.com.au

#### INVESTOR SERVICES

Tel: 1300 497 374  
 Investorservices@hyperion.com.au

## Market Capitalisation

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	32.2	55.8	-23.6	4
S&P/ASX 21-50	29.7	18.0	11.7	5
S&P/ASX 51-100	23.3	12.4	10.9	7
S&P/ASX 101-200	4.7	9.5	-4.8	6
S&P/ASX 201-300	--	4.0	-4.0	--
Ex S&P/ASX 300	2.2	0.2	2.0	1
Cash	7.9	--	7.9	--
Total	100	100		23

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

## Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	8.8	4.2
Consumer Discretionary	6.4	8.5
Financials	11.1	30.1
Health Care	29.4	10.4
Industrials	1.6	7.1
Information Technology	28.9	5.0
Materials	5.9	17.4
Cash	7.9	--

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>	\$2,659.0 million
<b>APIR Code</b>	BNT0003AU

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

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

This communication is prepared by Hyperion Asset Management Limited (ABN 80 080 135 897 AFSL 238 380) ('Hyperion'), as the investment manager of the Hyperion Australian Growth Companies Fund (ARSN 089 548 443) ('the Fund'). Pinnacle Fund Services Limited (ABN 29 082 494 362 AFSL 238 371) ('PFSL') is the product issuer of the Fund. PFSL is not licensed to provide financial product advice. PFSL is a wholly-owned subsidiary of the Pinnacle Investment Management Group Limited ('Pinnacle') (ABN 22 100 325 184). The Product Disclosure Statement ('PDS') and Target Market Determination ('TMD') of the Fund is available at <https://www.hyperion.com.au/>. Any potential investor should consider the PDS and TMD before deciding whether to acquire, or continue to hold units in, the Fund.

This communication is for general information only. It is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment. It has been prepared without taking account of any person's objectives, financial situation or needs. Any persons relying on this information should obtain professional advice before doing so. Past performance is for illustrative purposes only and is not indicative of future performance. Unless otherwise specified, all amounts are in AUD. Due to rounding, numbers presented throughout this report may not sum precisely to the total indicated and performance percentages may not precisely reflect the absolute returns.

Whilst Hyperion, PFSL and Pinnacle believe the information contained in this communication is reliable, no warranty is given as to its accuracy, reliability or completeness and persons relying on this information do so at their own risk. Subject to any liability which cannot be excluded under the relevant laws, Hyperion, PFSL and Pinnacle disclaim all liability to any person relying on the information contained in this communication in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or arise directly or indirectly in respect of such information. This disclaimer extends to any entity that may distribute this communication.

Any opinions and 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. Any projections contained in this presentation are estimates only and may not be realised in the future.

Unauthorised use, copying, distribution, replication, posting, transmitting, publication, display, or reproduction in whole or in part of the information contained in this communication is prohibited without obtaining prior written permission from Hyperion. Pinnacle and its associates may have interests in financial products and may receive fees from companies referred to during this communication.

This may contain the trade names or trademarks of various third parties, and if so, any such use is solely for illustrative purposes only. All product and company names are trademarks™ or registered® trademarks of their respective holders. Use of them does not imply any affiliation with, endorsement by, or association of any kind between them and Hyperion.

Morningstar Disclaimer: Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'classservice' have been prepared by Morningstar Australasia Pty Ltd (ABN:95090665544, AFSL:240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to Morningstar Financial Services Guide (FSG) for more information at [www.morningstar.com.au/s/fsg.pdf](http://www.morningstar.com.au/s/fsg.pdf). You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement (Australian products) or Investment Statement (New Zealand products) before making any decision to invest. Morningstar publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance is for illustrative purposes only and is not indicative of future performance. To obtain advice tailored to your situation, contact a professional financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN004523782 ("ASXO").

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. Morningstar Awards 2020©. Morningstar, Inc. All Rights Reserved. Awarded to Hyperion Australian Growth Companies Fund for Winner, Domestic Equities Large Cap, Australia.