

OBJECTIVE: LONG-TERM CAPITAL GROWTH AND INCOME BY INVESTING IN HIGH CALIBRE AUSTRALIAN COMPANIES PRIMARILY LISTED OUTSIDE THE S&P/ASX 100 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 exhibited positive results during February, with the declining global daily rate of COVID-19 cases and continued global vaccine rollout dominating headlines. In the U.S., the S&P 500 Index returned +2.8%. Economic data continues to indicate a domestic recovery in the U.S., revealing that the International Trade Deficit declined by -3.5% in December 2020. The IHS Markit Manufacturing and Services PMIs improved to 58.6 and 59.8 respectively, the highest expansion in production output and business activity in over six-and-a-half years. The US\$1.9t “American Rescue Plan” was also passed by the House of Representatives and awaits approval from the Senate. In Europe, the FTSE 100, Euro STOXX 50 and German DAX indices returned +1.6%, +4.6% and +2.6%, respectively. In Asia, the Hang Seng, Shanghai SE Composite and Nikkei 225 indices returned +2.5%, +0.6% and +4.8%, respectively. Japanese economic data showed preliminary month-on-month Industrial Production growth of 4.2%. Meanwhile, the Caixin PMI data revealed a fall in the pace of the COVID-19 recovery in mainland China as both the Manufacturing and General Composite figures decreased to 50.9 and 51.7, respectively. In Australia, the S&P/ASX 300 Index returned +1.5%. The unemployment rate fell further to 6.4% in January as preliminary economic data revealed month-on-month growth in Retail Sales of 0.6%. Materials (+7.1%), Financials (+5.1%) and Energy (+2.5%) were the best performing S&P/ASX 300 Index sectors. Information Technology (-8.0%), Utilities (-8.0%) and Consumer Staples (-4.5%) were the worst performers. The U.S. dollar was mixed during the month against the G10 currencies, down against the Pound Sterling and Australian Dollar, while rising against the Swiss Franc and 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* [^]
Portfolio – Net (%)	-5.7	-0.8	34.0	18.6	14.0	12.6	15.0	13.2	15.7	1361.2
<i>Benchmark (%)¹</i>	1.5	4.1	17.2	7.2	11.7	8.1	4.0	4.0	7.5	280.1
Relative Performance – Net (%)	-7.2	-4.9	16.9	11.4	2.3	4.4	11.0	9.2	8.2	1081.0

1. S&P/ASX Small Ordinaries Accumulation Index. *Inception date: 30th September 2002. ^Total return Returns are net of applicable fees and costs.

Past performance is not a reliable indicator of future performance.

Data as at 28th February 2021. Due to rounding excess performance figures may not equate perfectly to the difference between Hyperion Small Growth Performance and the S&P/ASX Small Ordinaries Accumulation Index Performance.



Hyperion named Winner
FUND MANAGER OF THE YEAR
Morningstar 2021 Awards, Australia.



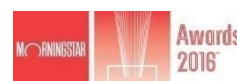
Hyperion named Category Winner
DOMESTIC EQUITIES LARGE CAP
Morningstar 2021 Awards, Australia.



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



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



Hyperion named Winner,
FUND MANAGER OF THE YEAR
Morningstar 2016 Awards, Australia.

PORTFOLIO HOLDINGS UPDATE

Whispir Ltd. (WSP-AU)

Primary Exchange	ASX
GICS Sector	Information Technology
Market Cap (AUD\$m)	424



Whispir Ltd. (Whispir) released a market update for its first half year ended 31 December 2020, reporting revenue growth of 27% to \$23.1m, gross margin growth of 24% to \$14m, and an improving EBITDA loss of -\$1.8m which is up from -\$4.8m. Operationally, Whispir's transactional revenue increased 34% to \$15.4m, platform revenue was up 17% to \$6.9m and services revenue increased 4% to \$0.8m. Geographically, revenue in the ANZ region grew 30% to \$18.9m primarily due to the enduring partnership with Telstra and from the digital transformations driving new customer growth. Revenue in Asia increased 24% to \$3.5m, while revenue in North America declined 16% to \$0.7m. The company reported 77 net new customers, bringing the total number of customers to 707. Management provided upgraded guidance and expects revenue to range between \$49.0m to \$51.0m and reaffirmed its R&D cash investment is expected to range between \$9.2m to \$9.8m.

Pro Medicus Limited (PME-AU)

Primary Exchange	ASX
GICS Sector	Health Care
Market Cap (AUD\$m)	4,622



OUR SUPPORT. YOUR SUCCESS.

Pro Medicus Limited (Pro Medicus) released a market update for its first half year ended 31 December 2020, reporting total revenue growth of 8% to \$31.6m, net profit growth of 12% to \$13.5m and fully franked DPS growth of 17% to 7c per share. Operationally, revenue from Radiology Information Systems (RIS) increased 27% to \$6.1m, driven by the ongoing rollout of the Healius contract and from an extension of the I-Med contract. Revenues from Picture Archiving Communication Systems (Visage7/PACS) increased 4% to \$25.4m as exam volumes improved over the half year and were also supported by new clients coming online. Geographically, revenue in Australia increased 23% to \$6.6m, Europe was up 49% to \$2.5m and North America revenue increased 1% to \$22.6m. Furthermore, the company reported that their rollouts of Ohio State and LMU Klinikum have been completed and work on Northwestern, NYU and Medstar implementations have commenced and are due to go live during 2H21. Management did not provide formal guidance, but noted that two of the largest deals, Intermountain and UC will be coming online over the next few months and will support FY22 revenues.

WiseTech Global Limited (WTC-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (AUD\$m)	8,860



WiseTech Global Limited (WiseTech) released its results for the first six months of the 2021 financial year, reporting revenue growth of 16% to \$239m, EBITDA growth of 43% to \$89m and underlying NPAT growth of 61% to \$44m. Notably the EBITDA margin expanded 7% to 37% following continued revenue growth and cost reduction initiatives of \$6.1m, achieved through a decrease in staff and office space whilst streamlining facility and office support functions. The impact of COVID-19 has also started to wane, with 1H21 CargoWise shipment transaction numbers up 19% on 1H20. Since the beginning of 2020, WiseTech has successfully been able to increase their market penetration with eight new global customer rollouts signed. Product development and innovation continued as a priority with \$83m invested in R&D, adding 456 product upgrades and enhancements to the CargoWise platform during the first half. R&D investment focused on accelerating native customs and cross border compliance builds in Europe, Asia and South America. As of 31 December 2020, the CargoWise native customs functionality was well established in Australia, New Zealand, the United States, Canada, the United Kingdom, South Africa, China, Singapore and Taiwan. Management maintained its guidance for FY21 revenue growth to range between 9% and 19% to \$470m and \$510m and upgraded its EBITDA growth to range between 30% and 50% to \$165m and \$190m.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Domino's Pizza Ltd	11.7	--
Wisetech Global Ltd	10.6	--
Xero Ltd	10.4	--
Fisher & Paykel Ltd	7.3	--
Pro Medicus Ltd	6.7	0.9

Top 5 Contributors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Wisetech Global Ltd	80.6	10.5	8.6
Domino's Pizza Ltd	61.8	10.2	5.1
Pushpay Holdings Ltd	69.2	5.3	4.9
Xero Ltd	60.8	9.0	4.8
Pro Medicus Ltd	154.3	4.6	4.7

Detractors

ELMO Software Ltd.	-27.2	2.2	-0.8
IRESS Ltd	-22.5	3.6	-0.9
Nanosonics Ltd	-10.0	4.6	-1.0
Corporate Travel Mgmt.*	-28.3	0.1	-1.3
Bravura Solutions Ltd	-39.3	3.8	-1.7

* Stock not currently held

Portfolio Fundamentals

	Portfolio	Benchmark
Return on Equity (%)*	23.0	5.0
Dividend Yield (%)*	1.1	2.2

* Trailing

CONTACT US

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Market Capitalisation

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-50	10.4	--	10.4	1
S&P/ASX 51-100	37.1	--	37.1	5
S&P/ASX 101-200	20.9	71.9	-51.0	8
S&P/ASX 201-300	17.7	28.0	-10.3	6
Ex S&P/ASX 300	6.4	--	6.4	3
Cash	7.5	--	7.5	--
Total	100.0	100.0		23

Due to rounding, portfolio weights may not sum perfectly to 100.0%

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	7.5	6.1
Consumer Discretionary	22.0	17.0
Financials	6.7	14.1
Health Care	18.7	6.7
Information Technology	37.6	6.6
Cash	7.5	--

Due to rounding, portfolio weights may not sum perfectly to 100.0%

Fund Characteristics

Universe	Ex S&P/ASX 100
Launch	Managed by Hyperion since September 2002, launched October 1996
Fees	MER 1.25% (plus 15% of outperformance above the S&P/ASX Small Ordinaries Accumulation Index)
Distribution	AUD 0.4685 CPU at 30 September 2020 AUD 54.6883 CPU at 30 June 2020 AUD 0.7586 CPU at 31 March 2020 AUD 0.6615 CPU at 30 September 2019 AUD 50.1141 CPU at 30 June 2019
Fund Size	\$584.6 million
APIR Code	BNT0101AU

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

DISCLAIMER – HYPERION SMALL GROWTH COMPANIES FUND

The Hyperion Small Growth Companies Fund (ARSN 089 548 943) ('Fund') is currently open to new applications. Pinnacle Fund Services Limited (ABN 29 082 494 362 AFSL 238 371) the Responsible Entity of the Fund is not licensed to provide financial product advice. Hyperion Asset Management Limited (ABN 80 080 135 897 AFSL 238 380) is the investment manager of the Fund. Any opinions or forecasts reflect the judgment and assumptions of Hyperion and its representatives on the basis of information at the date of publication and may later change without notice. Any projections contained in this document 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. Past performance is for illustrative purposes only and is not indicative of future performance.

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