

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 markets exhibited a strong rebound in November on the back of positive COVID-19 vaccine announcements from Pfizer, Moderna and AstraZeneca. Furthermore, global equity markets reacted positively to increased certainty regarding the Biden-Trump U.S. election, and European COVID-19 related restrictions which appear to be successfully reducing the speed and quantum of community transmissions. In the U.S., the Dow Jones Index returned +11.8%, reaching a new record level and recording the best monthly performance since January 1987. U.S. economic data revealed Non-Farm payrolls increased by 245,000 in November, lowering the unemployment rate to 6.7%, which is down from the 14.7% April high. Housing starts also beat expectations, increasing +4.9% during October. In Europe, the FTSE 100, Euro STOXX 50 and German DAX indices returned +12.7%, +18.1% and +15.0%, respectively. During the month, the IHS Markit Eurozone Manufacturing PMI dropped slightly to 53.8, while the Eurozone Services Business Activity Index indicated a sharp contraction, falling by 5.2 points to 41.7. Lockdown restrictions continued to drive the two-speed economy as services sector activity suffered from local restrictions and continued to lag behind manufacturing output activity. In Australia, the S&P/ASX 300 Index returned +10.2%. Australian economic data revealed better than anticipated monthly activity data with October retail sales growing by 1.4%, and employment increasing by 178,800 in October. A shift to Value sectors during the month saw Energy (+28.2%), Financials (+16.1%) and Communication Services (+14.4%) as the best performing S&P/ASX 300 Index sectors. Consumer Staples (-0.7%), Utilities (+1.5%) and Healthcare (+2.9%) were the worst performers. Global commodity prices rose steeply during the month of November, driven by energy commodities (+6.4%) and non-energy commodities (+4.4%). The U.S. dollar depreciated against all G10 currencies, most notably against the Norwegian Krone (-7.3%), New Zealand Dollar (-6.0%) and Australian Dollar (-4.7%).

Performance

	1 month	3 month	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 (%)	4.8	7.6	23.5	19.3	13.2	13.5	15.2	13.8	15.9	1374.4
<i>Benchmark (%)¹</i>	<i>10.3</i>	<i>7.7</i>	<i>6.0</i>	<i>6.7</i>	<i>10.7</i>	<i>8.2</i>	<i>4.2</i>	<i>4.3</i>	<i>7.4</i>	<i>265.2</i>
Relative Performance – Net (%)	-5.5	0.0	17.6	12.5	2.5	5.3	11.0	9.6	8.6	1108.2

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 30th November 2020. 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.



PORTFOLIO HOLDINGS UPDATE

REA Group Limited (REA-AU)

Primary Exchange	ASX
GICS Sector	Communication Services
Market Cap (AUD\$m)	19,130



REA Group Limited (REA) released its 1Q21 trading update for the quarter ended 30 September 2020, reporting revenue down 3% to \$195.7m, EBITDA growth of 8% to \$123.8m and operating expenditures down 18% to \$71.9m, reflecting continued excellent cost control in response to COVID-19. These results reflect the diverging impacts of COVID-19 on property listings in Australia and internationally, and the resilience of the platform to difficult market conditions. The Australian segment was up for the quarter despite Stage 4 restrictions in Melbourne, where listing volumes were down 44% versus national listing volumes down 2%. REA continued to extend its engagement lead in Australia, with 3.2x the amount of site visits versus Domain, 34% growth in monthly site visits to 114m and 37% growth in monthly unique visitors to 12m or 60% of Australian adults. Performance was mixed internationally, with strength in the U.S. offset by continued weakness in Asia reflecting COVID-19 restrictions on property markets. During October, REA announced an additional investment in India's Elara Technologies, subject to confirmatory due diligence.

Fisher & Paykel Limited (FPH-AU)

Primary Exchange	ASX
GICS Sector	Healthcare
Market Cap (AUD\$m)	19,743



Fisher & Paykel Healthcare (Fisher & Paykel) released its results for the first half year ended 30 September 2020, reporting operating revenue growth of 59% to NZ\$910m, NPAT growth of 86% to NZ\$225m and interim DPS growth of 33% to NZ\$0.16 per share. Divisionally, the Hospital segment achieved strong revenue growth of 93% to NZ\$681m, driven by hospital hardware revenue growth of 383% to NZ\$252m and consumables revenue growth of 43% to NZ\$429m. Fisher & Paykel's Hospital products have been used as a frontline treatment for patients suffering from COVID-19, and demand for the company's products tracked the surges in COVID-19 cases globally. In the Homecare segment, revenue grew 5% to NZ\$226m following a challenging period during COVID-19. During the period many sleep clinics were closed, impacting the company's Obstructive Sleep Apnea masks segment as new patient diagnoses were reduced. Geographically, revenue increased 44% in North America, 70% in Europe, 46% in Asia Pacific, and was up 209% in 'Other Regions'. Management provided guidance and expects full year revenue to be approximately NZ\$1.72b, and net profit after tax to range between NZ\$400m to NZ\$415m.

Xero Limited (XRO-AU)

Primary Exchange	ASX
GICS Sector	Information Technology
Market Cap (AUD\$m)	18,929



Xero Limited (Xero) released a market update for the first half year ended 30 September 2020, announcing operating revenue growth of 21% to NZ\$410m, gross margin expansion of 50bps to 85.7% and EBITDA growth of 86% to NZ\$121m. Geographically, ANZ achieved operating revenue growth of 17% to NZ\$247m, with the number of subscribers increasing by 18% to 1.4m. The Average Revenue Per User (ARPU) however was down 3% to NZ\$30.79 driven by product mix impacts as the ATO JobKeeper Payment scheme contributed to the uptake of lower ARPU Single Touch Payroll focused products in Australia. Internationally operating revenue grew by 28% to NZ\$162m, subscribers increased by 21% to 1.0m and ARPU was down 5% to NZ\$28.44, driven by a shift towards the more efficient but lower ARPU partner channel during the second half of FY20. Management did not provide any guidance given the uncertainty created by COVID-19.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Wisetech Global Ltd	11.9	--
Domino's Pizza Ltd	9.7	--
Xero Ltd	9.2	--
Fisher & Paykel Ltd	7.5	--
REA Group	6.0	--

Top 5 Contributors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Wisetech Global Ltd	13.3	9.2	5.7
Pushpay Holdings Ltd	84.5	5.2	5.2
Xero Ltd	63.0	8.4	4.9
Fisher & Paykel Ltd	60.3	7.0	4.0
Domino's Pizza Ltd	40.1	10.2	3.9

Detractors

Audinate Group Ltd	-6.5	1.2	-0.7
IRESS Ltd	-20.0	4.6	-1.1
Class Ltd	-14.1	1.8	-1.8
Bravura Solutions Ltd	-38.2	3.2	-2.0
Corporate Travel Mgmt.*	-51.6	0.9	-2.6

* Stock not currently held

Portfolio Fundamentals

	Portfolio	Benchmark
Return on Equity (%)*	17.0	9.0
Dividend Yield (%)*	1.0	2.5

* Trailing

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Market Capitalisation

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-50	--	--	--	--
S&P/ASX 51-100	45.2	--	45.2	6
S&P/ASX 101-200	21.9	71.3	-49.4	8
S&P/ASX 201-300	19.1	28.7	-9.6	6
Ex S&P/ASX 300	6.8	--	6.8	3
Cash	7.0	--	7.0	--
Total	100.0	100.0	--	23

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	6.9	5.8
Consumer Discretionary	18.8	16.7
Financials	8.5	11.8
Health Care	17.3	6.8
Information Technology	41.5	6.7
Cash	7.0	--

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	\$495.6 million
APIR Code	BNT0101AU
The Fund's PDS contains more complete information on risks and fees	

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