

HYPERION SMALL GROWTH COMPANIES FUND

DECEMBER 2018



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

	Portfolio – Net (%)	Benchmark [^] (%)	Excess Performance (%)
1 month	-5.4	-4.2	-1.2
3 months	-13.3	-13.7	0.4
1 year	-0.1	-8.7	8.6
3 years p.a.	2.3	7.5	-5.2
5 years p.a.	8.5	5.6	2.9
10 years p.a.	16.2	6.9	9.3

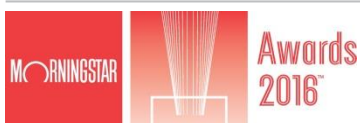
Past performance is not a reliable indicator of future performance. Returns are net of applicable fees, costs and taxes. [^]S&P/ASX Small Ordinaries Accumulation Index. Data as at 31st December 2018.

Market Outlook

Approaching the holiday period, December was a relatively quiet month in terms of portfolio news. Notably, Trade Me Group Limited (TME-AU) entered into an agreement under which funds advised by Apax Partners will acquire 100% of its shares for NZ\$6.45 per share. As we move into 2019, the domestic market will set its focus on the upcoming February reporting season.

We remain confident that the companies in the portfolios will achieve attractive rates of revenue, EPS and DPS growth over the next five years, well ahead of the broader market.

OBJECTIVE: MEDIUM TO 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.



Hyperion named AUSTRALIAN FUND MANAGER OF THE YEAR
in the Morningstar 2016 Awards, Australia.

HYPERION ASSET MANAGEMENT FUND UPDATE | FOR FINANCIAL ADVISORS ONLY

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
REA Group	8.5	--
Domino's Pizza	7.9	--
Wisetech Global	6.6	1.2
Technology One	6.0	0.9
Fisher & Paykel Healthcare	5.6	1.2

Top 5 Contributors (rolling 12 months)

Contributors	Avg Weight (%)	Price change (%)	Contribution to return (%)
HUB24	5.5	24.4	1.9
Wisetech Global	6.6	18.5	1.6
Trade Me Group	4.8	35.4	1.6
Technology One	6.6	24.2	1.3
Xero	3.5	46.6	1.3
Detractors			
Class	2.7	-47.3	-1.2
Pendal Group	3.2	-29.4	-1.0
ARB Corporation	5.7	-19.8	-1.0
Pushpay Holdings	3.7	-14.2	-0.9
Domino's Pizza Enterprises	9.5	-13.0	-0.7

Portfolio Fundamentals

	Portfolio	Benchmark
Price to Earnings*	17.1	16.6
Return on Equity (%)*	23	8.6
Dividend Yield (%)*	2.1	3.3

* trailing

CONTACT US

DISTRIBUTION PARTNER

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Market Capitalisation

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-50	--	--	--	--
S&P/ASX 51-100	24.9	--	24.9	5
S&P/ASX 101-200	44.6	77.6	-33.0	9
S&P/ASX 201-300	12.3	22.4	-10.1	4
Ex S&P/ASX 300	6.5	--	6.5	2
Cash	11.7	--	11.7	--
Total	100	100	--	20

Sector Allocation

	Portfolio (%)	Benchmark (%)
Consumer Discretionary	26.2	14.8
Consumer Staples	1.3	9.1
Financials	11.4	8.2
Health Care	10.3	6.2
Information Technology	27.7	10.6
Communication Services	11.4	5.9
Cash	11.7	--

Domicile Australia, authorised by ASIC

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 0.3616 CPU at 31 December 2018
AUD 2.6929 CPU at 30 September 2018
AUD 91.9209 CPU at 30 June 2018
AUD 0.5869 CPU at 31 March 2018

Fund Size \$273.1 million

APIR Code BNT0101AU

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

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