

Market Commentary

Most major equity indices were slightly higher over April as companies in the U.S. released their quarterly earnings while banking sector uncertainty continued to linger post the collapse of Silicon Valley Bank, Signature Bank, and Credit Suisse last month. In the U.S., the S&P 500 Total Return Index returned 1.6% over April. Annual CPI inflation in the U.S. slowed for the ninth consecutive month in March to 5.0%, down from 6.0% in February and the lowest reading in nearly two years. U.S. real GDP also grew at an annualised rate of 1.1% in Q1 2023, down from 2.6% in the previous quarter, primarily reflecting a slowdown in private inventory investment and non-residential fixed investment. In Europe, the FTSE 100, Germany DAX, and Euro STOXX 50 total return indices rose by 3.4%, 1.9%, and 1.8%, respectively, over the month. Annual inflation in the Euro Area slowed to 6.9% in March, the lowest reading since February 2022, though preliminary April figures pointed to a slight uptick. Economic growth in the Eurozone was also weak with preliminary data showing real GDP growing 0.1% over Q1 2023 and Germany, the region’s largest economy, seeing zero growth. In Australia, the S&P/ASX 300 Total Return Index rose 1.8% over April. The Reserve Bank of Australia held its cash rate target at 3.6% in April after delivering 10 consecutive rate hikes since it began increasing interest rates in May 2022 although it has since raised the cash rate target by 25bps in May.

Fund Update and Outlook

The Hyperion Australian Growth Companies Fund returned 2.2% for April, outperforming its benchmark (S&P/ASX 300 Accumulation Index) by 0.3%. Xero Ltd., Nanosonics Limited, Carsales.com Limited, and Brambles Limited saw the largest positive share price movements while Block, Inc. was the only company to see its share price decline over the month.

April was another solid month for the Australian Growth Companies Fund with all bar one holding company producing positive returns during the month. The Fund appears to be benefitting from a less volatile macroeconomic environment, with inflation domestically and abroad likely to have peaked. In a stable environment, high quality businesses that can continue their growth and profitability by taking market share will become more valuable and should be in a better position to produce attractive returns over the long term.

In our upcoming webinar on 8th June, we will take a step back and remind our investors why we believe investing in high quality structural growth companies is important. We will look at the first quarter reporting season for our Global strategy and also review both of our Domestic strategies (Australian Growth and Small Growth Companies Funds) and discuss why we remain confident in our portfolio companies and their ability to produce excess returns. Register [here](#).

Objective

Long-term capital growth by investing in high-calibre Australian companies primarily listed within the S&P/ASX 300 at the time of investment.

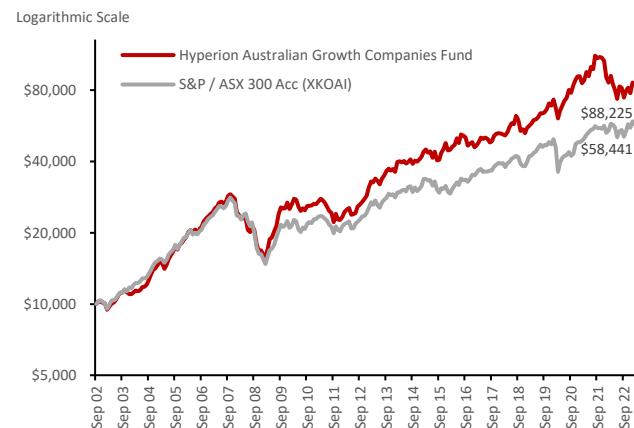
Our Philosophy

The highest proven quality businesses with the strongest competitive advantages and organic growth opportunities produce superior shareholder returns over the long term.

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

Growth of \$10,000 Since Inception, Post-Fees



Inception date: 30th September 2002. Source: Hyperion Asset Management. Past performance is for illustrative purposes only and is not indicative of future performance.

Fund Performance

	Portfolio – Net (%)	Benchmark ¹ (%)	Excess Performance (%)
1 Month	2.2	1.8	0.3
3 Month	2.3	-1.0	3.3
1 Year	3.2	2.1	1.1
3 Year (p.a.)	10.5	14.0	-3.5
5 Year (p.a.)	10.7	8.2	2.4
7 Year (p.a.)	9.4	9.1	0.3
10 Years (p.a.)	10.0	7.9	2.2
15 Years (p.a.)	9.4	6.2	3.2
20 Years (p.a.)	11.5	9.0	2.4
Inception (p.a.)*	11.2	9.0	2.2
Inception (TR)*^A	782.3	484.4	297.8

1. S&P/ASX 300 Accumulation Index. *Inception date that Hyperion became Investment Manager: 30th September 2002. ^Total return. All p.a. returns are annualised. Returns are net of applicable fees and costs. Past performance is not a reliable indicator of future performance. Data as at 30th April 2023. 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.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Resmed Inc.	10.0	0.6
Block, Inc.	10.0	0.1
Wisetech Global Ltd	8.8	0.5
CSL Limited	8.7	6.5
Fisher & Paykel Healthcare	8.6	0.2

Companies shown are illustrative only and not a recommendation to buy or sell any particular security.

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	10.2	4.1
Consumer Discretionary	6.0	6.8
Financials	20.0	27.2
Health Care	34.2	10.3
Industrials	3.2	6.5
Information Technology	22.3	2.9
Materials	2.3	24.2
Cash	1.8	--

Portfolio weights may not sum perfectly to 100.0% due to rounding.

Market Capitalisation (AUD)

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	15.5	59.6	-44.1	2
S&P/ASX 21-50	38.1	17.8	20.3	6
S&P/ASX 51-100	31.5	11.4	20.1	8
S&P/ASX 101-200	12.2	8.1	4.1	5
S&P/ASX 201-300	--	2.8	-2.8	--
Ex S&P/ASX 300	0.9	0.3	0.6	1
Cash	1.8	--	1.8	--
Total	100	100	--	22

Portfolio weights may not sum perfectly to 100.0% due to rounding.
All data as at 30th April 2023

Top Contributors and Detractors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Wisetech Global Ltd.	51.4	8.3	4.1
Fisher & Paykel Healthcare	29.4	7.5	2.6
Resmed Inc.	15.7	9.6	1.9
CSL Limited	10.0	9.4	1.2
Brambles Ltd	35.1	2.7	0.9

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Block, Inc.	-36.8	10.0	-4.8
Xero Limited	-3.1	8.8	-1.2
James Hardie Industries	-19.4	3.4	-1.2
Domino's Pizza Enterprises	-33.1	4.2	-1.1
Macquarie Group Ltd	-11.8	6.9	-0.8

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Fund Characteristics

Universe	S&P/ASX 300
Launch	Managed by Hyperion since September 2002, launched October 1996
Risk/Return Profile	The Fund's risk band is 6 (high)
Fees	MER 0.95%
Distribution	AUD 0.2380 CPU at 31 March 2023 AUD 0.2177 CPU at 31 December 2022 AUD 1.2532 CPU at 30 September 2022 AUD 23.7305 CPU at 30 June 2022
Fund Size	\$2,064.5 million
APIR Code	BNT0003AU

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



CERTIFIED BY RIAA

RIAA Certified Fund

The Hyperion Australian Growth Companies Fund has been certified by the Responsible Investment Association Australasia (RIAA) according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details and the last page of this document for disclaimers.

Portfolio Holdings Update

ResMed Inc. (RMD-AU)

Primary Exchange	ASX
GICS Sector	Health Care
Market Cap (\$m)	53,574



ResMed Inc. (ResMed) announced its Q3 FY23 results, reporting group revenue of US\$1,116.9m, up 29% year-over-year (YoY) or 31% on a constant currency (CC) basis. Its gross margin contracted 150 basis points to 55.3% from a year prior, mostly driven by unfavourable product mix and higher component costs, partially offset by an increase in average selling prices. Software-as-a-Service (SaaS) revenue increased by 35%, capturing incremental revenue from the MEDIFOX DAN acquisition and continued organic growth in ResMed's SaaS portfolio. Revenue in the U.S., Canada and Latin America grew by 32% YoY, primarily due to increased demand from customers for ResMed's sleep and respiratory care devices amid an ongoing competitor recall. During the third quarter, ResMed significantly expanded production and delivery of its cloud-connected flow generator devices to cater for this ongoing high demand, resulting in strong device sales growth across its global markets. Ultimately, the company is well on its way to achieving its goal of helping 250 million people sleep and breathe better as well as live higher-quality lives with outside-hospital care in 2025.

HUB24 Limited (HUB-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (\$m)	2,265



HUB24 Limited (HUB24) provided a market update for Q3 FY23, reporting Funds Under Administration (FUA) increased 12.6% YoY to \$76.9 billion. Positive market movements contributed \$1.7 billion to FUA over the quarter, while net inflows contributed \$1.9 billion. During Q3 FY23, 27 new distribution agreements were signed and the total number of advisers using the platform grew to 3,748, a 1.5% increase quarter-on-quarter. The Company also announced it entered into a Heads of Agreement with Equity Trustees Limited (EQT) to provide custodial platform administration and technology solutions for EQT and AET trustee services clients. The scope of the agreement covers staged large transitions totalling approximately \$4 billion FUA indicatively over the next 18 months. HUB24 continues to receive industry accolades, ranking first in all seven categories in the latest Adviser Ratings Financial Landscape survey, including Best Overall Platform and ranked Best Online Business Management functionality, Best Platform Overall and Best Reporting in the Investment Trends Platform Competitive Analysis and Benchmarking survey. Management also reaffirmed its FY24 Platform FUA (excluding PARS FUA) guidance of \$80-89 billion.

IRESS Limited (IRE-AU)

Primary Exchange	ASX
GICS Sector	Information Technology
Market Cap (\$m)	1,924



IRESS Limited (Iress) hosted an Investor Day in April, where new CEO, Marcus Price, delivered an updated strategic plan for the business, clearly identifying core and non-core businesses, an updated corporate structure, and a focus on efficiency. The domestic core, consisting of Wealth Management, Trading & Market Data, and the less established Superannuation Administration are higher quality businesses, characterised by higher profit margins, high levels of recurring revenue, and market leadership. Non-core operations (United Kingdom, Canada and South Africa) have been added to a newly created 'Managed for Value' segment, where the objective is progressive repatriation of capital and talent. Another non-core business, Managed Fund Administration & Platform is in the process of being divested, having been acquired with OneVue in 2020.

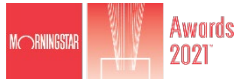
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Hyperion named Category Winner
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Morningstar 2021 Awards, Australia.



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DOMESTIC EQUITIES LARGE CAP
Morningstar 2020 Awards, Australia.

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