

Market Commentary

Major equity indices were lower through August as mixed economic data and higher treasury yields made headlines. Data out of China also pointed to slowing Chinese economic activity and heightened financial instability particularly in its real estate sector. The S&P 500 Total Return Index was down 1.6% over the month. Annual CPI inflation in the U.S. saw a slight uptick to 3.2% in July from 3% in June due to base effects. At the Jackson Hole speech, Chair Powell noted that higher interest rates may be appropriate until the Federal Reserve is confident that inflation is trending sustainably towards its 2% inflation target. The U.S. dollar strengthened against all G10 currencies over the month. In Europe, the Euro STOXX 50, Germany DAX, and FTSE 100 total return indices were down 3.8%, 3.0%, and 2.5%, respectively, over the month. Macroeconomic data showed a large contraction in private sector activity with the Euro Area Composite PMI of 46.7 the lowest since November 2020. In Australia, August saw many companies report their FY23 full-year results with the S&P/ASX 300 Total Return Index returning -0.8% over the month. The Reserve Bank of Australia held the cash rate target at 4.1% in its August meeting.

Fund Update and Outlook

The Hyperion Australian Growth Companies Fund returned -4.2% for August, underperforming its benchmark (S&P/ASX 300 Accumulation Index) by 3.4%. Altium, Carsales.Com Limited, and HUB24 Limited saw the largest positive share price movements, while Iress Limited, Resmed Inc. (Resmed), and Block Inc. saw the largest share price declines.

Our domestic strategy produced mixed results in the month of August as reporting season came to a close. While many of our portfolio companies produced encouraging results in line with our long-term forecasts, there were several companies that saw share price declines as the market focused on short-term noise. WiseTech Global Ltd., which is continuing to reinvest in its business, saw share price weakness on the day it reported having rallied strongly into its result.

Economic data continues to show that the economic jolt from the pandemic is subsiding and stability in bond yields is being maintained. Stability is important as it allows confidence to come back into markets. Short-term valuations from higher bond yields look to have rebased and we are now importantly seeing our companies' underlying fundamentals and earnings be the basis for market valuations. Hyperion still believes that we will revert to a lower growth, lower inflation, and lower interest rate world and in fact we are starting to see that in some parts of Europe and Asia. A lower growth environment is much more favourable for growth investing.

Although we have seen strong performance for the year to date, we believe the long-term return outlook for our portfolio continues to look attractive with forecast internal rates of return above their long-run averages.

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.

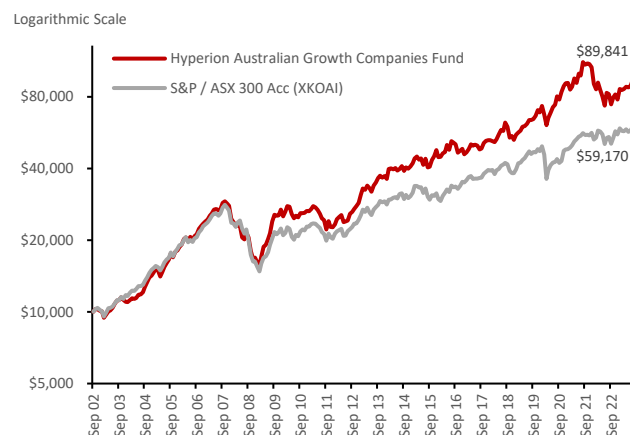
Our Philosophy

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	-4.2	-0.8	-3.4
3 Month	2.5	3.9	-1.3
1 Year	9.5	9.0	0.5
3 Year (p.a.)	3.8	10.5	-6.7
5 Year (p.a.)	7.6	7.0	0.6
7 Year (p.a.)	8.3	8.5	-0.2
10 Years (p.a.)	9.9	7.9	2.0
15 Years (p.a.)	10.0	6.8	3.2
20 Years (p.a.)	11.0	8.7	2.3
Inception (p.a.)*	11.1	8.9	2.2
Inception (TR)*^A	798.4	491.7	306.7

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 31st August 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 (%)
Xero Limited	11.0	0.8
Block, Inc.	10.1	0.1
Fisher & Paykel Healthcare	7.9	0.2
Resmed, Inc.	7.7	0.4
CSL Limited	7.5	6.0

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

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	11.7	4.0
Consumer Discretionary	5.5	7.0
Financials	20.7	27.9
Health Care	30.2	9.4
Industrials	3.3	7.1
Information Technology	23.8	2.7
Materials	3.2	24.0
Cash	1.6	--

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

Market Capitalisation (AUD)

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	14.3	60.5	-46.3	2
S&P/ASX 21-50	38.6	16.7	21.8	6
S&P/ASX 51-100	41.0	12.3	28.7	9
S&P/ASX 101-200	3.5	7.6	-4.1	3
S&P/ASX 201-300	--	2.6	-2.6	--
Ex S&P/ASX 300	1.0	0.2	0.8	1
Cash	1.6	--	1.6	--
Total	100	100	--	21

Portfolio weights may not sum perfectly to 100.0% due to rounding.
All data as at 31st August 2023

Top Contributors and Detractors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Xero Limited	42.6	8.6	2.6
Wisetech Global Ltd.	18.3	8.8	2.3
Fisher & Paykel Healthcare	18.7	7.9	1.8
Cochlear Limited	26.7	5.5	1.5
Altium	31.7	3.7	1.1

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Resmed Inc.	-20.7	9.5	-1.7
Block, Inc.	-12.3	10.7	-1.1
CSL Limited	-6.8	8.8	-0.5
Domino's Pizza Enterprises	-14.9	4.0	-0.3
IDP Education Ltd.	-15.1	2.1	-0.3

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

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 0.8597 CPU at 30 June 2023 AUD 0.2380 CPU at 31 March 2023 AUD 0.2177 CPU at 31 December 2022 AUD 1.2532 CPU at 30 September 2022
Fund Size	\$2,101.9 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

Cochlear Limited (COH-AU)

Primary Exchange	ASX
GICS Sector	Health Care
Market Cap (\$m)	15,943



Cochlear Limited (Cochlear) announced a strong FY23 result, reporting record group revenue of \$1.96b, up 19% YoY (+16% in CC). Underlying net profit increased to \$305.2m, up 10% YoY (+14% in CC), with a resulting NPAT margin of 17%. Cochlear implants revenue (58% of group revenue) increased 17% in CC, driven by strong unit growth of 16% YoY to 44,156 units, attributed to market share gains, improved clinical capacity, COVID catch-up surgeries, and general market growth. Market share gains were evident across both developed and emerging markets, with YoY unit growth of 15% and 20%, respectively. Importantly there were improving trends in adult referral rates in key markets, providing early indications that initiatives to improve awareness and access for adult cochlear implant candidates are having some success. Services revenue (30% of group revenue) increased 14% YoY in CC, with noted acceleration in the second half of the year (+27% in CC) driven by the release of the new N8 Sound Processor which saw strong uptake across developed markets. Acoustics revenue (12% of group revenue) grew 15% YoY in CC as the Osia 2 System continues to gain market share. Cochlear is guiding to underlying FY24 net profit of \$355-375m, representing growth of +16%-23% on FY23, attributed to a combination of revenue growth and improved net profit margin. The company declared a final dividend of \$1.75 per share, bringing the FY23 total dividend to \$3.30, up 10% on the prior year.

Altium (ALU-AU)

Primary Exchange	ASX
GICS Sector	Information Technology
Market Cap (\$m)	5,030



Altium Limited (Altium) reported a strong FY23 full year result with group revenue of US\$263.3m (up 19.2% YoY) and an EBITDA margin of 36.2%, both coming in at the higher end of guidance. Strong revenue growth was driven by the Design Software segment which increased 19.9% YoY to US\$203.0m, with performance in the Americas particularly strong, up 32.3% YoY to US\$92.1m. The company is also benefitting from a favourable shift in product mix with continued upsell from the standard level of Altium Designer to the Pro and Enterprise versions. Cloud Platform revenue was up 17.1% to US\$60.3m as higher Octopart cost per clicks were offset by a decline in the volume of clicks. Altium 365 continues to grow in adoption with monthly active users and monthly active accounts up 56% and 35%, respectively, YoY. The company guided to FY24 total revenue of US\$315m-\$325m, representing growth of 20%-23% over the coming year, while their underlying EBITDA margin is expected to be maintained at 35%-37%. Management also reaffirmed their FY26 targets of achieving revenue of US\$500m, almost double their FY23 level, with an underlying EBITDA margin of 38%-40%.

Carsales.Com Limited (CAR-AU)

Primary Exchange	ASX
GICS Sector	Communication Services
Market Cap (\$m)	9,366



Carsales.Com Limited (Carsales) announced its FY23 full-year results, reporting strong pro-forma YoY revenue growth of 18% to \$942m and EBITDA growth of 19% to \$496m. The Australian business reported private revenue growth of 30% to \$89.9m driven by growth in private ad volumes and yield. Growth in the Media and Dealer businesses were also strong, with adjusted revenue increasing by 11% and 10%, respectively. The International business performed strongly, with Latin Americas, US, and Asia growing pro-forma revenue at 40%, 22%, and 9%, respectively. Webmotors revenue increased by 41% (+29% in CC) led by continued dealer subscription growth and higher dealer yield. Trader Interactive's revenue increased by +22% (14% in CC) with double-digit revenue growth across all four verticals in 2H FY23, while EBITDA margins expanded 300bps to 60% driven by operating leverage and strong cost discipline. Encar's revenue grew 9% YoY (11% in CC) to \$98.6m, driven by increased penetration of premium products and improved inventory levels. The board declared a final dividend of 32.5c per share, taking full year dividends to 61c per share, an increase of 22% YoY.

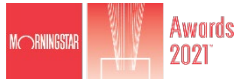
CONTACT US

HYPERION DISTRIBUTION

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

INVESTOR SERVICES

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



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.

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. For historic TMD's please contact Pinnacle client service Phone 1300 010 311 or Email service@pinnacleinvestment.com.

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. 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.

The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.