

### Market Commentary

Global equity markets experienced mixed results during March with the ongoing conflict in Ukraine, central bank policy, and lockdowns across China making headlines. In the U.S., the S&P 500 Index returned +3.7% over the month. The Core Personal Consumption Expenditure Price Index rose 5.4% Year-on-Year (YoY) in February while the IHS Markit Composite PMI rose to 58.5 in March pointing to increased business activity. The Federal Reserve also raised the federal funds rate by 25bps to 0.25%-0.50% citing high inflation pressures, an extremely tight labour market, strong aggregate demand, and persistent supply constraints. In addition, the Federal Open Market Committee (FOMC) suggested a further tightening of monetary policy and signalled their intent to begin reducing the size of its balance sheet at future meetings. In Europe, the Euro STOXX 50, German DAX, and FTSE 100 indices returned -0.4%, -0.3%, and +1.4%, respectively. The Harmonised Index of Consumer Prices (HICP) in the Eurozone accelerated 7.5% YoY in March, driven primarily by energy prices. In Australia, the S&P/ASX 300 Index returned +6.9% over March. Over Q4 2021, Australian real GDP grew by 3.4% on a seasonally adjusted basis driven by strong household consumption which grew 6.3% on the previous quarter. The Reserve Bank of Australia left the cash rate target unchanged emphasising that wage growth would need to pick up for inflation to be sustainably within their 2-3% target range.

### Fund Update and Outlook

The Hyperion Australian Growth Companies Fund returned +6.7% for the month of March, underperforming its benchmark (S&P/ASX 300 Accumulation Index) by 0.2%. Energy and Material sectors continued to show strength due to elevated commodity prices. Block (formerly Square) and Wisetech Global performed well during the month following strong reported results. Fisher & Paykel and James Hardie were detractors, with the former continuing to feel the lingering effects of COVID-19-induced slowdowns, while global supply chain pressures have been weighing on James Hardie.

Global macro and geopolitical pressures continue to weigh heavily on equity markets. However, as the market digested the conclusion of the latest financial reporting season, it appears that businesses and investors alike started to show signs of confidence in underlying company fundamentals.

Hyperion believes, despite rising inflation and rate rises, the underlying global economy remains fragile, and quality, structural growth companies will prevail over the long term. We continue to believe that the high levels of economic growth and inflation that we have experienced recently are not likely to be long lasting.

Confidence in our structural themes and therefore the overall portfolio remains unchanged. We remain confident that the companies in our portfolio will achieve attractive rates of organic revenue and earnings per share growth that are well ahead of the broader market, which we believe is a key attribute for capturing long term alpha.

### 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.

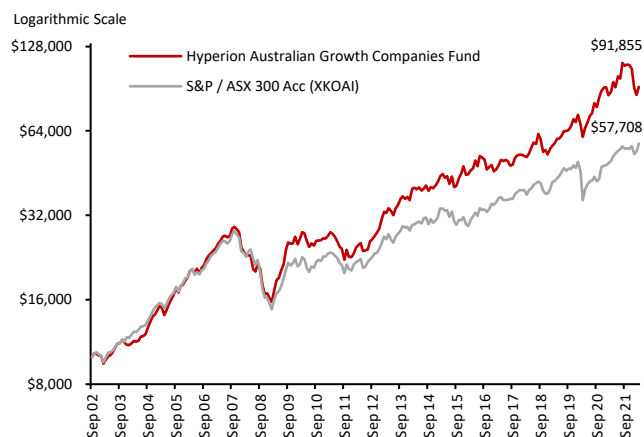
### Our Philosophy

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

### Performance Chart growth of \$10,000 since inception



Inception date: 30<sup>th</sup> September 2002. Source: Hyperion Asset Management

### Fund Performance

	Portfolio – Net (%)	Benchmark <sup>1</sup> (%)	Excess Performance (%)
1 Month	6.7	6.9	-0.2
3 Month	-13.6	2.1	-15.7
1 Year	4.4	15.2	-10.9
3 Year (p.a.)	16.7	10.9	5.9
5 Year (p.a.)	13.8	9.4	4.4
7 Year (p.a.)	10.8	7.9	2.8
10 Years (p.a.)	13.9	10.1	3.8
15 Years (p.a.)	9.0	5.9	3.1
Inception (p.a.)*	12.0	9.4	2.6
Inception (TR)**^	818.5	477.1	341.5

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, costs and taxes. Past performance is not a reliable indicator of future performance. Data as at 31st March 2022. 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 (%)
Block Inc.	12.4	0.8
Xero Ltd	10.8	0.6
CSL Limited	8.7	5.6
Wisetech Global Ltd	7.5	0.4
Resmed Inc.	7.5	0.6

**Sector Allocation**

	Portfolio (%)	Benchmark (%)
Communication Services	9.1	3.9
Consumer Discretionary	7.1	7.0
Financials	11.2	28.0
Health Care	28.1	8.9
Industrials	1.8	5.7
Information Technology	35.7	3.8
Materials	4.4	25.9
Cash	2.7	--

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

**Market Capitalisation (AUD)**

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	20.4	58.4	-38.0	3
S&P/ASX 21-50	41.5	16.8	24.7	6
S&P/ASX 51-100	29.0	12.1	17.0	7
S&P/ASX 101-200	4.6	8.5	-3.9	5
S&P/ASX 201-300	--	3.8	-3.8	--
Ex S&P/ASX 300	1.7	0.4	1.4	1
Cash	2.7	--	2.7	--
Total	100	100	--	22

Portfolio weights may not sum perfectly to 100.0% due to rounding.  
All data as at 31st March 2022

**Top 5 Contributors and Detractors (rolling 12 months)**

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Wisetech Global Ltd	75.8	5.7	3.1
Resmed Inc.	28.4	9.6	2.6
Macquarie Group Ltd	33.0	6.6	1.7
Block Inc. <sup>^</sup>	4.9	1.9	1.3
Cochlear Ltd	6.8	4.4	0.8

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Afterpay Ltd* <sup>^</sup>	-34.5	9.2	-2.9
Xero Ltd	-18.8	10.5	-1.7
Fisher & Paykel Healthcare	-23.6	5.6	-1.5
GQG Partners Inc.	-30.5	0.8	-0.7
Nanosonics Ltd	-30.2	1.1	-0.4

\*Stock not currently held in the portfolio. <sup>^</sup>Afterpay Ltd commenced trading as Block Inc. on 20th January 2022

**Fund Characteristics**

<b>Universe</b>	S&P/ASX 300
<b>Launch</b>	Managed by Hyperion since September 2002, launched October 1996
<b>Fees</b>	MER 0.95%
<b>Distribution</b>	AUD 0.6988 CPU at 30 September 2021 AUD 86.6742 CPU at 30 June 2021 AUD 0.4324 CPU at 31 March 2021 AUD 0.7676 CPU at 30 September 2020
<b>Fund Size</b>	\$2,291.9 million
<b>APIR Code</b>	BNT0003AU
The Fund's PDS contains more complete information on risks and fees	

## Portfolio Holdings Update

### GQG Partners Inc. (GQG-AU)

Primary Exchange  
GICS Sector  
Market Cap (\$m)

ASX  
Financials  
4,104



GQG Partners Inc. (GQG) released a Funds Under Management (FUM) update for February. The business reported FUM of US\$89.8b as at 28 February 2022, a decrease of US\$1.5b or -1.6% over the month. This comprised of a US\$3.1b decline due to market movements whilst the strategies saw net inflows of US\$1.6b. Net inflows reached US\$2.5b for the year-to-date. All strategies, except for Emerging Markets, are outperforming their respective index over 1, 3, and 5-year periods. GQG noted its Emerging Market strategy FUM, which comprises 27% of total FUM, declined 6.7% over the month. The strategy is underperforming its benchmark on a 1-year basis by approximately 1%, whilst continuing to outperform on both a 3 and 5-year basis. The release also provided an update on the business impacts from the ongoing Russia conflict, noting limited strategy exposures. The Emerging Markets strategy reported an exposure of 0.07%, whilst International and Global strategies had exposures of 0.03% and 0.01% respectively.

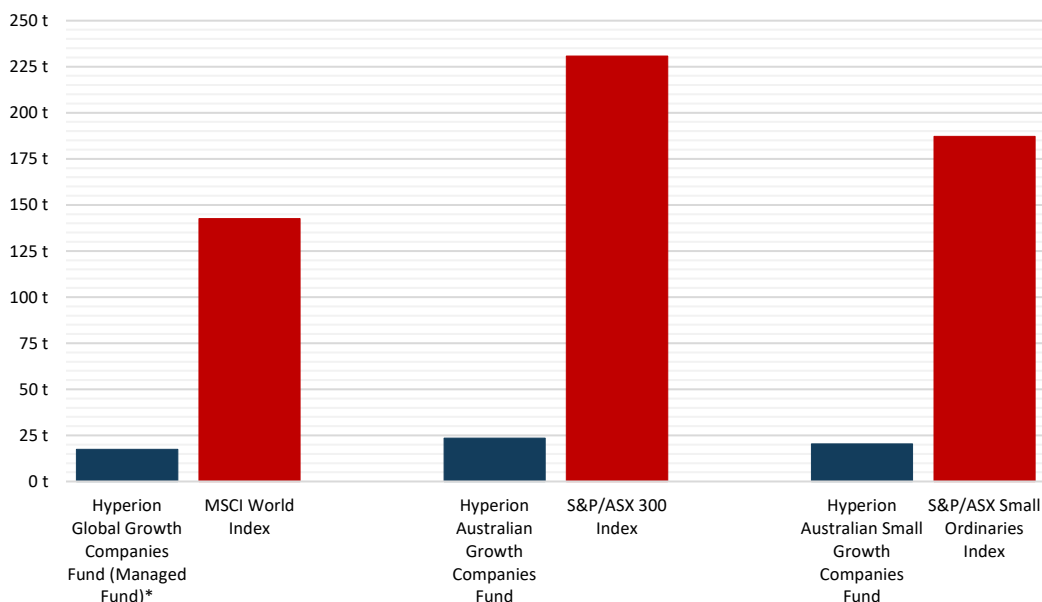
Commentary sourced from Hyperion Asset Management

## ESG Overview

### Race towards net zero

Hyperion believes activities that are detrimental to the environment are not sustainable in the longer term and this will lead to increased costs and lower returns on capital. We are now certified 'Carbon Neutral' and have also completely offset our historical carbon footprint, with Hyperion funds having significantly less carbon intensity and emissions in comparison to their respective benchmarks.

Portfolio Carbon Intensity (Scope 1 & 2)  
Emissions (Tonnes) per U.S. Dollar of Revenue



Data as at 31<sup>st</sup> March 2022. Source: Hyperion, MSCI ESG. \*The fund changed its name from Hyperion Global Growth Companies Fund (Class B) to Hyperion Global Growth Companies Fund (Managed Fund) on 5 February 2021 in order to facilitate quotation of the fund on the ASX.

For your reference, our Climate Change, ESG, Proxy Voting, Sanctions, and Expert Network policies are all publicly available on our website along with our 2021 Task Force on Climate-Related Financial Disclosures (TCFD) report.

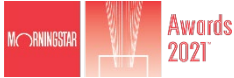
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**Hyperion named Winner  
FUND MANAGER OF THE YEAR**  
Morningstar 2021 Awards, Australia.



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



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

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