



HYPERION GLOBAL GROWTH COMPANIES FUND (CLASS B) JANUARY 2021

OBJECTIVE: LONG-TERM CAPITAL GROWTH AND INCOME BY INVESTING IN HIGH QUALITY GLOBAL COMPANIES.



GLOBAL MARKET OVERVIEW

Global equity market indices experienced mixed results during the first month of 2021, as the global rollout of COVID-19 vaccinations and promises of further fiscal and monetary stimulus measures dominated headlines. In the U.S., the S&P 500 Index returned -1.0% as economic data revealed that U.S. GDP is growing at a preliminary annualised rate of 4.0%. The nation’s core Personal Consumption Price Index, the Federal Reserve’s preferred inflationary measure, is running at an annualised rate of 1.5% and its unemployment rate remained at 6.7%. In addition, the newly elected Biden-led administration proposed a US\$1.9t “American Rescue Plan”, on top of the bi-partisan US\$ 900b fiscal stimulus plan agreed in late December. In Europe, the FTSE 100, Euro STOXX 50 and German DAX indices declined -0.8%, -1.8% and -2.1%, respectively. During the month, the IHS Markit Eurozone composite PMI fell for a second consecutive month to 47.8 as lockdown restrictions continued to drive the two-speed economy, with services sector activity suffering from local restrictions and lagging behind manufacturing output activity. Furthermore, the ECB held its refinancing operations, marginal lending facility and deposit facility rates at 0.00%, 0.25% and -0.50%, respectively, and extended its Pandemic Emergency Purchase Program to March 2022, worth €1,850b. In Australia, the S&P/ASX 300 Index returned +0.3%. Economic data revealed that the unemployment rate fell to 6.6% whilst preliminary December retail sales fell -4.2%. Consumer Discretionary (+4.8%), Communication Services (+2.6%) and Financials (+2.3%) were the best performing S&P/ASX 300 Index sectors. REITs (-4.1%), Industrials (-3.1%) and Health Care (-1.7%) were the worst performers. Across foreign exchange markets, the U.S. dollar was mostly up against the G10 currencies during January, except against the New Zealand Dollar, Norwegian Krone and Pound Sterling.

High-conviction portfolio of quality global listed equities from a research driven, bottom-up investment philosophy.

Our Philosophy

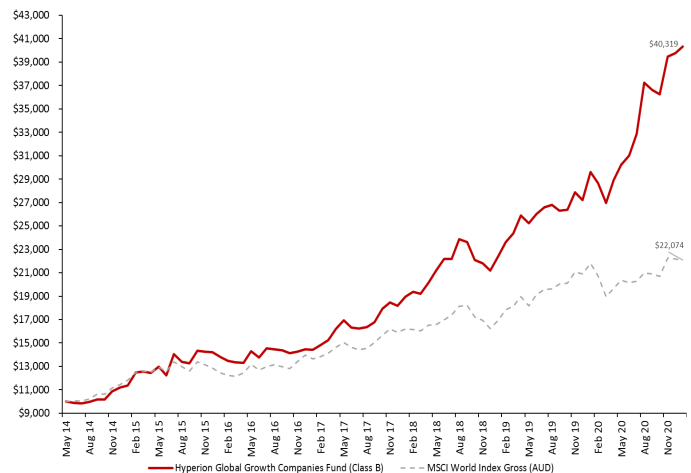
High quality, structural growth businesses produce attractive shareholder returns over the long-term.

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

Net Performance - Growth of AUD \$10,000*



Source: Hyperion Asset Management

	Portfolio – Net (%)	Benchmark [^] (%)	Excess Performance (%)
1 Month	1.5	-0.4	1.9
3 Month	11.2	6.6	4.6
1 Year	36.2	1.2	35.0
3 Year (p.a.)	28.6	10.9	17.7
5 Year (p.a.)	23.9	12.2	11.8
Inception (p.a.)**	23.2	12.6	10.6

*Investment of \$10k since inception. **Inception date: 1st June 2014.

[^] MSCI World Index Gross (AUD).

Returns are net of applicable fees, costs and taxes. Past performance is not a reliable indicator of future performance. Data as at 31st January 2021. Due to rounding excess performance figures may not equate perfectly to the difference between Hyperion Global Growth Performance and the MSCI World Index Performance.



Hyperion named Winner, FUND MANAGER OF THE YEAR
Morningstar 2016 Awards, Australia.



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



Hyperion named Finalist, FUND MANAGER OF THE YEAR
Morningstar 2020 Awards, Australia.



Hyperion named Finalist, DOMESTIC EQUITIES SMALL CAP
Morningstar 2020 Awards, Australia.

PORTFOLIO HOLDINGS UPDATE

Facebook Inc. (FB-US)

Primary Exchange	NASDAQ
GICS Sector	Communication Services
Market Cap (US\$m)	621,400



Facebook Inc. (Facebook) released their FY20 earnings result, reporting total revenue growth of 22% to \$86.0b, operating income margin expansion of 408bps to 38.0% and Diluted EPS growth of 58% to \$10.22 per share. Geographically, revenue in the U.S. & Canada increased 19% to \$38.4b, Europe was up 21% to \$20.3b, Asia-Pacific was up 29% to \$19.8b and Rest of World revenue increased 17% to \$7.3b. The company's fourth quarter showed accelerated revenue growth of 33% as advertisers strengthened their ad spend over the holiday period. Facebook has benefited from the ongoing shift towards e-commerce, as well as the shift in consumer demand towards products and away from services, which are more heavily skewed to Facebook's business. Operationally, Facebook's engagement continues to climb with DAUs (Daily Active Users) and MAUs (Monthly Active Users) increasing by 11% and 12% to 1.8b and 2.8b, respectively. The company stated that it expects year on year revenue growth rates to remain stable or sequentially moderately increase through the first and second quarter of 2021, before facing tougher sales comparisons in the second half of the year.

Microsoft Corporation (MSFT-US)

Primary Exchange	NASDAQ
GICS Sector	Information Technology
Market Cap (US\$m)	1,749,492



Microsoft Corporation (Microsoft) released its results for the second quarter ended 31 December 2021, reporting revenue growth of 17% to \$43.1b, operating margin expansion of 391bps to 28.8% and diluted EPS growth of 34% to \$2.03 per share. Microsoft's Productivity and Business Processes (PBP) segment achieved revenue growth of 13% to \$13.4b, with its operating margin increasing to 46.3% from 43.8%. Growth was predominately attributed to increased Office 365 commercial revenue, including the shift to more premium priced tiers, such as the E5 product tier. LinkedIn also performed strongly and at the end of the quarter had 740 million members using the platform. Microsoft's Intelligent Cloud (IC) segment grew revenue by 23% to \$14.6b, with operating margins expanding by 629bps to 44.5%, driven by strong performance by Azure, the company's cloud computing business. The company's More Personal Computing (MPC) segment saw revenue growth of 14% to \$15.1b, with a highlight being the launch of a new Xbox console driving hardware revenue and stronger gaming revenue. Importantly, Commercial Cloud revenue increased 34% over the previous corresponding period and now comprises approximately 39% of Group revenue.

Tesla (TSLA-US)

Primary Exchange	NASDAQ
GICS Sector	Consumer Discretionary
Market Cap (US\$m)	752,188

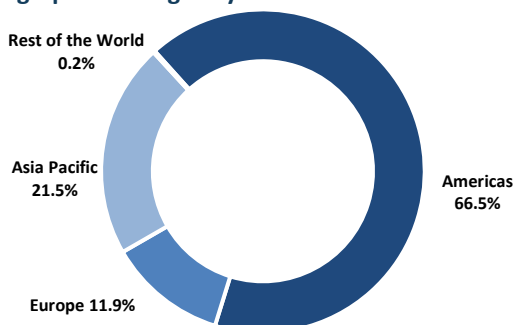


Tesla, Inc. (Tesla) reported strong growth in their 4Q20 update with total revenue for FY20 increasing by 28% to \$31.5b. This was primarily driven by the substantial increase in vehicle deliveries, which grew by 36% to 499,647. Adjusted EBITDA margins expanded by 630bps to 18.4%, gross profit was up 63% to \$6.6b and diluted non-GAAP EPS increased from \$0.03 per share in 2019 to \$2.24 per share. Notably, Energy Storage deployments grew substantially during the year, with total battery deployments up 83%, surpassing 3GWh in a single year driven mainly by the popularity of Megapack, Tesla's utility-scale storage product. Furthermore, Solar deployments increased 18% to 205MW following improvements in the company's solar retrofit strategy, including product simplification and cost reductions resulting in industry-leading pricing. Tesla also announced that the Model S and X Performance versions will be replaced by their new Plaid versions and noted that the Model S Plaid will be the fastest accelerating production car ever made. The company is also on track to start deliveries from its Gigafactories in Berlin and Texas in 2021. Looking ahead, Tesla expects its vehicle deliveries to achieve an average annual growth rate of 50% over a multi-year horizon.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Tesla Inc.	11.7	1.2
Square, Inc.	10.8	0.2
Amazon, Inc.	8.3	2.7
PayPal Holdings Inc.	5.5	0.5
Salesforce.com, Inc.	5.2	0.4

Geographical Weight by Source of Revenue



Source: Hyperion Asset Management
Due to rounding, portfolio weights may not sum perfectly to 100.0%

Portfolio Characteristics [^]

	Portfolio
10-year Forecast IRR (%) ¹	20.0
Return on Equity (%) [*]	12.2
Dividend Yield (%) [*]	0.2

[^] Data relates to the Composite ¹ Before fees ^{*} Trailing

Fund Characteristics

Domicile	Australia, authorised by ASIC
Fees	Management fee of 0.70% p.a. of the gross asset value of the Fund, plus a performance fee of 20% of the Fund's excess return versus the MSCI World Index (AUD), net of management fee.
Composite size	\$1,693.8 million
Fund size	\$1,045.4 million
APIR Code	WHT8435AU

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

Market Capitalisation (AUD)

	Portfolio (%)	# Stocks
\$0 - \$50bn	3.2	2
\$50 - \$100bn	13.4	4
\$100bn +	78.5	19
Cash	4.9	--
Total	100.0	25

Due to rounding, portfolio weights may not sum perfectly to 100.0%

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	19.6	8.9
Consumer Discretionary	29.4	12.2
Consumer Staples	1.4	7.4
Financials	1.3	12.7
Health Care	3.4	13.2
Information Technology	40.0	22.2
Cash	4.9	--

Due to rounding, portfolio weights may not sum perfectly to 100.0%

Top 5 Contributors and Detractors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Tesla Inc.	432.1	9.6	22.7
Square, Inc.	86.2	6.7	8.3
Amazon, Inc.	39.3	11.0	5.8
Paypal Holdings Inc.	79.5	6.4	4.4
ServiceNow Inc.	54.3	4.8	2.9

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Mastercard Inc.	-12.7	2.3	-0.6
Cochlear Ltd*	-33.9	0.2	-0.6
Visa Inc.	-15.3	3.2	-0.7
Moncler SpA*	-19.3	0.3	-0.7
Rightmove plc*	-35.1	0.5	-2.5

* Stock not currently held

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