

Market Commentary

Global equity markets finished mostly lower in April, with surging inflation, upward pressure on interest rates, and ongoing COVID-19 lockdowns in China making headlines. In the U.S., the S&P 500 Index returned -8.7% over the month. Economic data revealed the Core Personal Consumption Expenditure Price Index rose 5.2% Year-on-Year (YoY) in March while the IHS Markit Composite PMI declined to 55.1 in April, the lowest in three months, reflecting the impact of inflation on consumer spending. The Federal Reserve remains committed to taming inflation which is currently at 40-year highs, while opening the door for a faster rate-hike path. In Europe, the German DAX, Euro STOXX 50, and FTSE 100 indices returned -2.2%, -2.0%, and +0.8%, respectively. The Harmonised Index of Consumer Prices (HICP) in the Eurozone accelerated 7.5% YoY in April, driven primarily by commodities prices, while the HICP excluding volatile food and fuel prices rose by an annual rate of 3.9%. In the U.K., the annual CPI inflation rate reached a 30-year high, increasing to 7% in March, mostly attributed to higher energy prices. Consumer Staples and Energy were the best performing MSCI World Index sectors while Communication Services and Information Technology were the worst performing sectors.

Fund Update and Outlook

The Hyperion Global Growth Companies Fund (Managed Fund)* returned -13.4% for the month of April, underperforming its benchmark (MSCI World Accumulation Index (AUD)) by 10.3%. Visa Inc. and Mastercard Inc. performed well during April reporting strong quarterly financials, while Amazon.com, Inc. and Block Inc. were detractors.

While we believe the quarterly financial reports of our portfolio companies released in April were compelling and in line with our long-term forecasts, global macro pressures continue to weigh heavily on equity markets. Macro factors (not stock fundamentals) appear to be driving the recent portfolio underperformance. Capital rotation continues, what we describe as selling the future to buy the past or selling long duration, high growth (non-cyclical) stocks, and buying short duration, low growth (cyclical) stocks.

We believe that short-termism and fear are dominating market pricing currently. Our view remains unchanged that high levels of inflation will likely be temporary as supply-side disruptions ease and as central banks begin withdrawing monetary policy support. However, if we are wrong and a high-inflation environment remains more persistent than anticipated, we believe that our companies have superior pricing power due to their strong value propositions that will be resilient through a period of rising rates. Read more on our views on inflation [here](#).

Over time, superior earnings growth will overwhelm the impact of changes in interest rates. We remain confident that the companies in the portfolios will achieve attractive rates of organic revenue, EPS and DPS growth over the next ten years, well ahead of the broader market.

Please consider the Product Disclosure Statement (PDS) of the Fund, which provides more complete information on risks and fees, in its entirety and Target Market Determination (TMD) before making an investment decision. The current PDS and TMD of the Fund can be found at <https://www.hyperion.com.au/>.

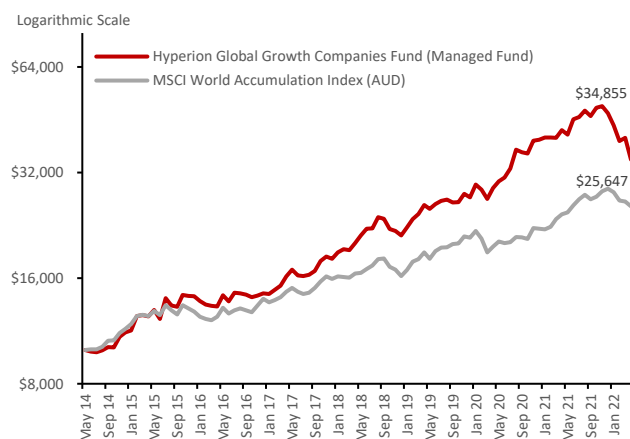
Fund Features

- High-conviction portfolio of quality global listed equities from a research driven, bottom-up investment philosophy
- Benchmark unaware
- Investors can buy or sell units on ASX like any other listed security, or apply and redeem directly with the Responsible Entity

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: 1st June 2014. Source: Hyperion Asset Management.

Fund Performance*

	Portfolio – Net (%)	Benchmark [^] (%)	Excess Performance (%)
1 Month	-13.4	-3.1	-10.3
3 Month	-20.1	-8.8	-11.3
1 Year	-17.6	5.3	-22.9
3 Year (p.a.)	10.4	10.6	-0.2
5 Year (p.a.)	16.5	11.9	4.7
7 Year (p.a.)	15.8	10.8	5.0
Inception (p.a.)**	17.1	12.6	4.4
Inception (TR)**#	248.6	156.5	92.1

*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.

**Inception date: 1st June 2014. NAV to NAV, with all distributions reinvested.

[^] MSCI World Accumulation Index (AUD) [#]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 2022.

Investors who apply for units directly with the Responsible Entity may pay a different price per unit to an investor who purchases those units on the ASX at the same time, and such differences may have a material impact on the performance of that investment. The above performance reflects the performance of the fund where units are purchased and redeemed directly with the Responsible Entity only.

Top 5 Holdings

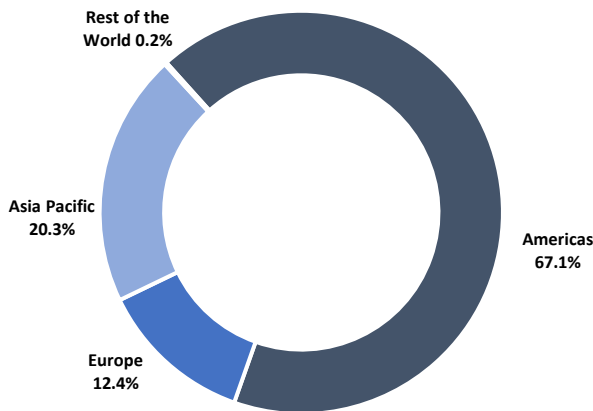
	Portfolio (%)	Benchmark (%)
Tesla Inc.	12.8	1.4
Amazon.com Inc.	10.8	2.1
Microsoft Corporation	9.0	3.7
ServiceNow, Inc.	7.6	0.2
Block Inc.	7.3	0.1

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	13.8	7.4
Consumer Discretionary	33.9	11.1
Consumer Staples	3.4	7.7
Health Care	2.5	13.4
Information Technology	43.0	21.6
Cash	3.3	--

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

Geographical Weight by Source of Revenue



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

Market Capitalisation (AUD)

	Portfolio (%)	# Stocks
\$0 - \$50bn	10.5	3
\$50 - \$100bn	13.5	3
\$100bn +	72.7	15
Cash	3.3	--
Total	100.0	21

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

All data as at 30th April 2022. Source: Hyperion Asset Management

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Top 5 Contributors and Detractors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Tesla Inc.	33.4	12.3	2.5
Costco Wholesale Corp.	55.3	2.6	0.7
Microsoft Corporation	19.6	7.1	0.7
Hermes International SCA	8.3	2.4	0.2
Mastercard Incorporated	3.4	1.2	0.1

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Block Inc. Class A	-55.8	8.0	-4.3
Spotify Technology SA	-56.2	4.2	-3.4
PayPal Holdings, Inc.*	-65.1	6.0	-3.4
Roku, Inc. Class A	-70.6	3.1	-2.7
Amazon.com Inc.	-22.1	9.0	-2.2

Portfolio Characteristics ^

	Portfolio
Number of Holdings	21
Top 10 Security Holdings (%)	69.3
Dividend Yield (%)**	0.3
Portfolio Beta	1.3

^Data based on composite. Before fees. ** Trailing.

Fund Facts

Name	Hyperion Global Growth Companies Fund (Managed Fund)*
Inception Date	01/06/2014
ARSN	611 084 229
APIR Code	WHT8435AU
Ticker	HYGG
Currency	Australian Dollar, Unhedged
Mgt. Fee (% p.a.)	0.70% per annum
Buy/Sell Spread*	0.30%/0.30%
Perf. Fee (% p.a.)	20% over Benchmark, net of Mgt Fee
Benchmark	MSCI World Accumulation Index (AUD)
Fund Size (AUD)	\$1,970.0 million
NAV Price	\$3.3479
Pricing Frequency	Daily
Registry	Automic

Investors can buy or sell units on the ASX

Ticker	HYGG
Exchange	ASX
Trading Currency	Australian Dollar
iNAV Provider	Solactive
Market Making Agent	Citigroup Global Markets Australia
Pricing	Intra-day

	Ticker	iNAV Ticker
Bloomberg	HYGG AU Equity	HYGGAUIV
Reuters/Refinitiv	HYGG.AX	HYGGAUDINAV=SOLA
IRESS	HYGG.AXW	HYGGAUDINAV

Portfolio Holdings Update

Mastercard Incorporated Class A (MA-US)

Primary Exchange	NYSE
GICS Sector	Information Technology
Market Cap (US\$m)	352,380



Mastercard Inc. (Mastercard) released strong FY22 Q1 results, reporting in constant currency (CC) net revenue growth of 28% and operating income growth of 39% during Q1 2021. Gross dollar volume (GDV) grew 17% worldwide with switched transactions up 22% and cross-border volumes up 53% on the prior corresponding period (pcp) driven by a better-than-anticipated recovery in international travel. All regions saw positive GDV growth including Europe, despite the suspension of their Russian operations in the quarter (which represented approximately 4% of net revenues in FY21) due to the conflict in Ukraine. Operating margins improved as a result of increased cross-border transactions and services. The company maintained their FY22 revenue guidance for high-teens growth (excluding acquisitions) while expected operating expenses have now been reduced largely due to savings related to ceasing operations in Russia. The company maintained their medium-term outlook however noted that operations in Russia/Ukraine will create a 2% net-revenue headwind in both FY23 and FY24.

ServiceNow, Inc. (NOW-US)

Primary Exchange	NYSE
GICS Sector	Information Technology
Market Cap (US\$m)	95,840



ServiceNow, Inc. (ServiceNow) delivered another strong quarterly result, reporting total revenue of US\$1.7b in Q1 2022 representing growth of 29% year-on-year (YoY) in CC. Subscription revenue grew 29% YoY in CC to US\$1.6b while Current Remaining Performance Obligations (cRPO) increased 30.5% in CC. Net new annual contract value (ACV) accelerated to the highest levels since 2018 with 52 transactions closed at over US\$1m in the quarter, up 41% YoY, taking the total number of customers with an ACV greater than US\$1m to over 1,400. All workflows performed strongly with IT Service Management in 11 of the 20 top deals, IT Operations Management in 13 of the top 20 deals, Security and Risk in 13 of the top 20 deals, HR in 14 of the top 20 deals, and Creator Workflows in 16 of the top 20 deals. The company raised their FY22 subscription revenue guidance modestly to between US\$7.025-7.040b and guided for Q2 2022 subscription revenue growth of +29% YoY in CC and cRPO growth of +28% YoY in CC. In addition, over the medium term, management also believe ServiceNow is on track to meet their US\$10b and US\$15b revenue targets by FY24 and FY26, respectively.

Microsoft Corporation (MSFT-US)

Primary Exchange	NASDAQ
GICS Sector	Information Technology
Market Cap (US\$m)	2,080,530



Microsoft Corp. (Microsoft) released strong results for the quarter ending March 2022, with group revenue increasing by 18% on the pcp to US\$49.4b and operating income up 19% to US\$20.4b. Intelligent Cloud continued to drive group revenue growing 29% in CC to US\$19.1b led by Azure which grew 49% in CC. Across its other segments, Productivity and Business Processes grew 19% in CC to US\$15.8b and More Personal Computing revenue increased 13% in CC to US\$14.5b. Strong customer commitment to Microsoft's Cloud platform also saw strong commercial bookings growth of 35% in CC and Cloud revenue grow 35% in CC to US\$23.4b YoY. Management guided for annualised Q4 2022 revenue growth of between 13-15% for Productivity and Business Processes, 21-23% for Intelligent Cloud, and 4-6% for More Personal Computing. The company has suspended all new sales in Russia which represented less than 1% of group revenue.

Commentary sourced from Hyperion Asset Management. Market capitalisation as at 30th April 2022.

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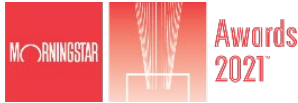
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**Hyperion named Winner
FUND MANAGER OF THE YEAR**
Morningstar 2021 Awards, Australia.

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