

Fund Update January 2025

Market Commentary

Major equity indices were higher through January as the start of the second Trump administration made turbulent headlines. In the U.S. the S&P 500 Total Return Index rose +2.8% over the month. The U.S. Federal Reserve held the federal funds rate target range at 4.25%-4.50% at its January meeting. Fed Chair Powell indicated in the press conference that the rate would be held unchanged until the FOMC has time to assess the inflation impact of Trump’s policies on tariffs, immigration, fiscal policy and regulatory policy. In Europe, the Euro STOXX 50, Germany DAX, and FTSE 100 total return indices returned +8.1%, +9.2%, and +6.2%, respectively over January.

Fund Update and Outlook

The Hyperion Australian Growth Companies PIE Fund returned 5.2% (net of fees) in January, outperforming its benchmark (S&P/ASX 300 Accumulation Index (NZD)) by 0.8%. HUB24 Ltd., Nanosonics Ltd. and CAR Group Limited saw the largest share price increases over the month, while Lovisa Holdings Ltd., Guzman y Gomez Ltd. and Fisher & Paykel Healthcare Corporation Ltd. saw the largest share price declines.

Our Domestic Strategy started the year with continued positive momentum that we have seen over the past two years.

Our portfolio and the market absorbed the headlines of Trump 2.0 starting with a bang with news of potential tariffs, trade wars and “America First” policies. While we believe Trump 2.0 will be positive for financial markets, the last five years give us a lot of confidence that our portfolio companies can navigate their way through times of uncertainty due to the strong underlying fundamentals, value propositions and pricing power to their customers.

Throughout the month there were also developments in AI, largely driven by the introduction of DeepSeek’s AI model. At this stage the announced advancements in training AI models at a fraction of a cost by DeepSeek further validates our view that value will be created in the application layer and that large language models will be commoditised. While there is no direct exposure to AI in our domestic portfolio, we believe this is an important step for a broader uptake in generalised AI applications, i.e. if the cost can come down then the end markets should grow.

We remain positive about the long-term return outlook for our Domestic Strategy, primarily because of our portfolio companies’ attractive long-term forecast EPS growth profiles and our portfolio’s attractive long-term forecast internal rate of return.

As we stated in our November webinar (watch the replay [HERE](#)), we believe now is the time to enjoy a more normalised environment, where company fundamentals matter and the power of long-term compounding and market share gains are rewarded.

Fund Features

- High-conviction portfolio of quality Australian listed equities from a research driven, bottom-up investment philosophy
- Benchmark unaware
- Leverage not permitted
- Assets held in New Zealand for PIE fund benefits

We believe companies in our portfolio have:

- Earnings which will grow or be maintained
- Low debt
- High interest cover
- Sustainable competitive advantages
- High return on capital
- Strong free cash flow
- Organic growth options
- Experienced and proven management teams

Platform Availability

FNZ	Admins
Apex	NZX Wealth Technologies

Fund Performance

	Portfolio – Net (%)	Benchmark [^] (%)	Excess Performance (%)
1 Month	5.2	4.4	0.8
3 Months	11.2	5.3	5.8
6 Months	21.2	7.7	13.5
Inception (TR) ^{*#}	23.8	10.5	13.3

*Inception date: 9th July 2024.

[^]S&P/ASX 300 Accumulation Index (NZD).

[#] Total return.

Returns are net of applicable fees and costs. Past performance is not a reliable indicator of future performance. The performance figures provided in the table above reflect actual valuation dates over the reported period.

Performance as at 31st January 2025.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Xero Ltd	11.6	1.0
Block, Inc.	11.3	0.3
Wisetech Global Ltd	7.7	0.9
Fisher & Paykel Healthcare	7.5	0.2
Cochlear Ltd	7.2	0.8

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

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	7.0	3.7
Consumer Discretionary	8.2	8.0
Financials	22.8	33.5
Health Care	28.6	9.8
Industrials	0.6	7.2
Information Technology	23.1	3.4
Materials	3.7	18.7
Real Estate	2.2	6.8
Cash	3.8	--

Market Capitalisation

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	17.7	60.4	-42.7	4
S&P/ASX 21-50	35.6	16.9	18.8	7
S&P/ASX 51-100	33.5	12.0	21.4	7
S&P/ASX 101-200	8.7	7.9	0.8	4
S&P/ASX 201-300	0.7	2.7	-2.1	1
Ex S&P/ASX 300	--	--	--	--
Cash	3.8	--	3.8	--
Total	100	100	--	23

Due to rounding, portfolio weights may not sum perfectly to 100.0%. All data as at 31st January 2025. Source: Hyperion Asset Management

Top Contributors and Detractors (Since Inception)[^]

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Block, Inc.	57.5	9.0	4.4
Xero Limited	36.2	9.5	3.2
Wisetech Global Ltd.	25.6	8.5	2.9
HUB24 Ltd	74.1	3.8	2.5
Resmed, Inc.	40.8	6.0	2.4

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Domino's Pizza Enterprises	-17.0	2.6	-0.5
CSL Ltd	-5.7	6.2	-0.4
Lovisa Holdings Ltd.	-9.3	1.6	-0.2
IDP Education Ltd.	-8.4	1.4	-0.1

[^]Inception date: 9th July 2024.

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Fund Facts

Name	Hyperion Australian Growth Companies PIE Fund
Inception Date	9 th July 2024
Manager and Issuer	FundRock NZ Limited
Investment Manager	Hyperion Asset Management Limited
Registry	Apex Investment Administration (NZ) Limited
Custodian and Administrator	BNP Paribas Fund Services Australasia
Legal Structure	New Zealand unit trust which has elected to be a Portfolio Investment Entity
Dealing Frequency	Daily, each NZ business day (T settlement)
Dealing Deadline	2:00pm (NZST) on T
Distribution Policy	Accumulating
Base Currency	New Zealand Dollar, Unhedged
Fixed Annual Fund Charges¹	0.95% p.a. + GST
Buy/Sell Spread	0.30%/0.30%
Performance Fee	--
Benchmark	S&P/ASX 300 Accumulation Index (NZD)
Min initial investment	\$20,000
Fund AUM (31/01/2025)	\$50.7 million
NAV Price (31/01/2025)	\$1.2474

1. As a percentage of the net asset value of the Fund per annum.

Portfolio Holdings Update

HUB24 Limited (HUB-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (\$m)	6,547



HUB24 Ltd. (HUB24) released its 2Q25 market update during January. The release detailed record Platform net inflows of A\$5.5bn (+23% on the prior corresponding period (pcp)), including A\$1.5bn of large migrations from EQT (with ~A\$900m remaining to be transitioned in 2H25). This resulted in record 1H net inflows of A\$9.5bn (+31% pcp). Market movements over the quarter were +A\$1.8bn, taking Platform Funds Under Administration (FUA) to A\$98.9bn (+36% pcp), and total FUA to A\$120.9bn as at 31 December 2024 (+33% pcp). In the latest available Plan for Life data, HUB24 ranked first for quarterly and annual net inflows and had the largest annual market share gains of all platform providers. HUB24's market share increased to 7.9% (up from 6.6% as at 30 September 2023) and is ranked in seventh place overall. Forty new distribution agreements were signed during the quarter whilst the total number of advisers using the platform increased by 166 to 4,886 (+14% pcp). Cash held on platform stayed constant with the 2H24 level, (ie. ~7%). FY26 FUA guidance was maintained at A\$115bn–A\$123bn. Regarding business development, HUB24 Super was selected as the successor fund for ClearView WealthFoundations, with up to A\$1.3bn of FUA planned to be migrated to Discover on HUB24 Super in 2H25. Regarding Class, the number of accounts across Class Super, Class Portfolio and Class Trust products increased during the quarter to 210,414 (+3% pcp), with Document Orders on NowInfinity increasing to 200,440 (+10% pcp). The number of companies using Corporate Messenger increased to 818,486 during the quarter (+17% pcp).

Netwealth Limited (NWL-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (\$m)	7,723



Netwealth Group Ltd. (Netwealth) released its 2Q25 business update during January. The release noted a record level of quarterly net inflows of A\$4.5bn (+69.8% pcp), beating the previous record level of A\$4.0bn achieved in the September 2024 quarter. This amounted to a record level of 12 month FUA inflows of A\$27.3bn and record 12 month FUA net inflows of A\$15.0bn, 57.2% higher than pcp. Market movements over the quarter were A\$1.7bn, taking total FUA to A\$101.6bn (+30.2% pcp). In the most recent Plan for Life industry analysis at 30 September 2024, Netwealth had the second highest platform 12 month net fund flows for the 12 months to 30 September 2024 and held 8.2% of market share, up 1.0% for the 12 months to 30 September 2024, ranking it sixth place overall. Rate card tiering/fee caps saw fee paying % of FUA decrease 50bps quarter-on-quarter to 61.1% while the cash transaction account balance was 5.5% of custodial FUA at 31 December 2024 (vs 5.9% at 30 September 2024), and averaged 5.8% over the December quarter, a seasonally lower percentage compared to the September quarter. For Netwealth Super Accelerator and Wealth Accelerator, Netwealth announced a reduction in the interest rate paid on funds held in the Cash transaction account from RBA Cash Rate Target less up to 65 bps, to RBA Cash Target Rate less up to 80 bps (at current RBA rates, 3.55%). Management noted 3Q25 flows are expected to be seasonally lower, but remain confident in the inflow outlook for the remainder of FY25.

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Awarded Fund Manager of the Year – Overall
Morningstar 2024 Awards, Australia.



Awarded Fund Manager of the Year – Overall
Morningstar 2021 Awards, Australia.



Awarded Fund Manager of the Year – Domestic Equities Large Cap Category
Morningstar 2021 Awards, Australia.



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