



14 December 2023

By Electronic Lodgement

Market Announcements Office
ASX Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Hyperion Global Growth Companies Fund (Managed Fund) (ASX:HYGG) – Monthly Investment Update

Please find attached a copy of the investment update for the month ending 30 November 2023.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok
Company Secretary

Pinnacle Fund Services Limited as responsible entity of Hyperion Global Growth Companies Fund (Managed Fund) (ASX:HYGG)

Fund Update November 2023

Market Commentary

Major equity indices were broadly higher through November as disinflationary momentum, retreating treasury yields, and optimism around an end to central bank monetary policy tightening made headlines. In the U.S., the S&P500 Total Return Index was up 9.1% over the month, the largest monthly increase since July 2022. Annual CPI inflation in the U.S slowed to 3.2% in October while the annual core inflation rate continued its trend lower to 4%, the lowest rate in two years. At its November meeting, the U.S. Federal Reserve kept its federal funds rate target unchanged at 5.25%-5.50% for a second consecutive meeting. In Europe, the Germany DAX, Euro STOXX 50, and FTSE 100 total return indices rose 9.5%, 8.1%, and 2.3%, respectively, over the month. The HCOB Eurozone Services PMI remained below the 50.0 mark, at 48.7, signalling a contraction in business activity across the private sector with ongoing declines in the service sector since August 2023. Inflation in the Euro area slowed to a two-year-low of 2.4% year-on-year in November 2023.

Fund Update and Outlook

The Hyperion Global Growth Companies Fund (Managed Fund)* returned 11.7% for November, outperforming its benchmark (MSCI World Accumulation Index (AUD)) by 7.2%. All holdings in the portfolio saw their share prices increase over the month led by Roku Inc., Block Inc., and Palantir Technologies Inc. November saw strong absolute and relative performance for our Global Strategy with all holdings producing positive share price moves as the market digested third quarter earnings results and an apparent moderating economic outlook. We believe the duration impact of higher bond yields that our portfolio has experienced over the past two years continues to provide an excellent opportunity for long-term investors. Our 10-year forecast earnings-per-share (EPS) growth profile for our Global Strategy is significantly above the benchmark's likely future earnings growth rate. The difference between our portfolio's EPS growth, and the relevant benchmark's EPS growth is a key driver of alpha over the long term. Our Global Strategy's forecast IRR is also above the long-term historical average. We believe the long-term return outlook for our portfolio remains attractive. The companies in our portfolios have robust franchises and grow by taking market share. Our stocks have strong fundamentals with high and sustainable returns on capital, low financial gearing, and the ability to produce positive free cash flows that grow at double digit rates over time. We believe the macro headwinds our portfolios have faced over the past couple of years are in the process of ending and these headwinds have the potential to become tailwinds in future years. In our November 2023 webinar we discussed the economic outlook and what it means for growth assets, the importance of first principles investing, the impact of artificial intelligence and machine learning and exciting opportunities we are continuing to see in our portfolios. The replay can be found [HERE](#).

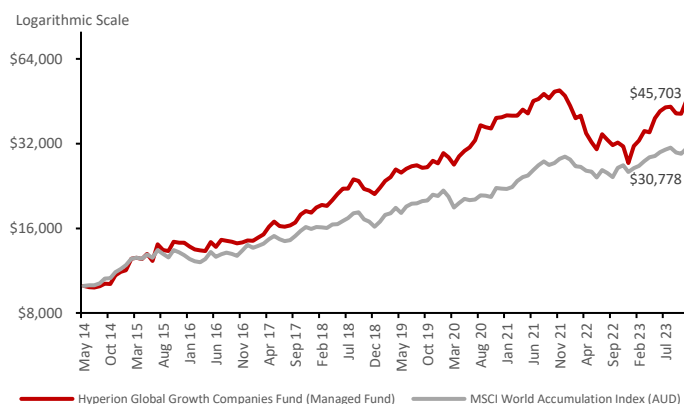
Fund Features

- High-conviction portfolio of quality global listed equities from a research driven, bottom-up investment philosophy
- Investors can buy or sell units on ASX like any other listed security, or apply and redeem directly with the Responsible Entity
- This product is likely to be appropriate for a consumer seeking capital growth to be used as a small allocation within a portfolio where the consumer has a minimum investment timeframe of 5 years, and a high risk/return profile

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: 1st June 2014. Source: Hyperion Asset Management. Past performance is for illustrative purposes only and is not indicative of future performance.

Fund Performance*

| | Portfolio – Net (%) | Benchmark [^] (%) | Excess Performance (%) |
|--------------------|---------------------|----------------------------|------------------------|
| 1 Month | 11.7 | 4.5 | 7.2 |
| 3 Month | 5.4 | -0.6 | 6.0 |
| 1 Year | 45.9 | 14.7 | 31.2 |
| 3 Year (p.a.) | 5.0 | 11.4 | -6.4 |
| 5 Year (p.a.) | 15.9 | 12.7 | 3.3 |
| 7 Year (p.a.) | 18.1 | 12.6 | 5.5 |
| Inception (p.a.)** | 17.3 | 12.6 | 4.8 |
| Inception (TR)** | 357.0 | 207.8 | 149.3 |

*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 November 2023.

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

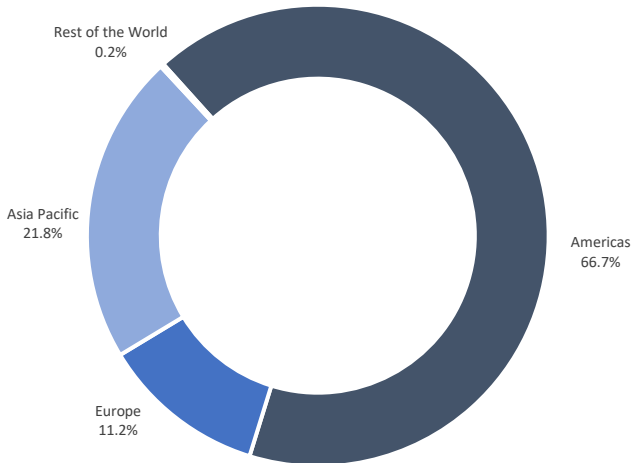
| | Portfolio (%) | Benchmark (%) |
|-----------------------|---------------|---------------|
| Tesla, Inc. | 12.2 | 1.2 |
| ServiceNow, Inc. | 11.0 | 0.2 |
| Microsoft Corporation | 10.7 | 4.6 |
| Amazon.com, Inc. | 10.3 | 2.3 |
| Spotify Technology SA | 7.4 | -- |

Sector Allocation

| | Portfolio (%) | Benchmark (%) |
|------------------------|---------------|---------------|
| Communication Services | 14.1 | 7.2 |
| Consumer Discretionary | 29.4 | 10.8 |
| Consumer Staples | 2.1 | 7.0 |
| Financials | 11.6 | 15.1 |
| Health Care | 1.8 | 12.2 |
| Information Technology | 39.8 | 23.1 |
| Cash | 1.1 | -- |

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 | 1.4 | 1 |
| \$50 - \$100bn | 16.4 | 4 |
| \$100bn + | 81.1 | 17 |
| Cash | 1.1 | -- |
| Total | 100 | 22 |

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

All data as at 30th November 2023. Source: Hyperion Asset Management
 *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.
 All companies shown are illustrative only and not a recommendation to buy or sell any particular security.

Top Contributors and Detractors (rolling 12 months)

| Contributors | Price change (%) | Avg Weight (%) | Contribution to return (%) |
|-----------------------|------------------|----------------|----------------------------|
| ServiceNow, Inc. | 66.4 | 12.1 | 7.7 |
| Amazon.com, Inc. | 52.8 | 11.0 | 6.2 |
| Spotify Technology SA | 135.4 | 5.7 | 5.7 |
| Microsoft Corporation | 50.0 | 11.3 | 5.5 |
| Tesla, Inc. | 24.5 | 12.3 | 4.2 |

| Detractors | Price change (%) | Avg Weight (%) | Contribution to return (%) |
|---------------------|------------------|----------------|----------------------------|
| Kering SA | -25.7 | 1.2 | -0.2 |
| Block, Inc. Class A | -5.5 | 5.3 | -0.2 |

Portfolio Characteristics ^

| | Portfolio |
|------------------------------|-----------|
| Number of Holdings | 22 |
| Top 10 Security Holdings (%) | 75.0 |
| Dividend Yield (%)** | 0.3 |
| Portfolio Beta | 1.6 |

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) | \$2,432.1 million |
| NAV Price | \$4.3899 |
| Pricing Frequency | Daily |
| Registry | Automatic |
| Risk/Return Profile | The Fund's risk band is 7 (very high) |

^Only applicable for investors who apply for units directly with the Responsible Entity

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

Workday Inc. (WDAY-US)

Primary Exchange **NASDAQ**
GICS Sector **Information Technology**
Market Cap (US\$m) **56,580**



Workday, Inc (Workday) released strong Q3 FY24 results ended October 31, 2023, reporting total revenue of US\$1.87b, up 16.7% year-over-year (YoY), and subscription revenue of US\$1.69b, up 18.1% YoY. Total subscription revenue backlog increased 30.9% YoY to US\$18.5b and 12-month subscription revenue backlog was US\$6.05b, up 21.9% YoY, supported by early renewals and increased contract duration. Non-GAAP operating income increased from US\$314.2m in Q3 FY23 to US\$462.1m this quarter with a non-GAAP operating margin of 24.8%, comparing favourably to their FY27 target of at least 25%. Workday announced enhancements to Workday Extend, new AI capabilities in Workday Adaptive Planning, and generative AI capabilities that aim to benefit users by increasing productivity, growing and retaining talent, streamlining business processes, and improving decision-making. Workday upgraded its guidance for FY24 with subscription revenue of US\$6.598b and non-GAAP operating margin of 23.8%. Management also provided initial guidance for FY25, with subscription revenue growth of 17-18% YoY and non-GAAP operating margin expansion from FY24 levels.

Palantir Technologies Inc. (PLTR-US)

Primary Exchange **NYSE**
GICS Sector **Information Technology**
Market Cap (US\$m) **41,492**



Palantir Technologies, Inc. (Palantir) released its Q3 FY23 result for the quarter ended September 30, 2023, reporting total revenue of US\$558m, up 17% year-over-year (YoY), and adjusted operating income of US\$163m, representing a 29% operating margin. GAAP net profit after tax (NPAT) remained positive for the fourth consecutive quarter at US\$72m, meaning the company is now eligible for S&P500 index inclusion. The company noted an acceleration in deal flows across the business with specific strength in the US Commercial segment (up 33% YoY), driven by Palantir's newly launched AI Platform. The US Government segment is also expected to re-accelerate beyond the current 10% YoY growth rate. Management marginally upgraded the FY23 outlook, guiding to revenue of between US\$2.216-2.220b, adjusted operating income of US\$607-611m, achieving rule of 40 and positive GAAP net income.

Block Inc. (SQ-US)

Primary Exchange **NYSE**
GICS Sector **Financials**
Market Cap (US\$m) **35,113**



Block, Inc. (Block) delivered its Q3 FY23 results for the quarter ended September 30, 2023, reporting gross profit of US\$1.9b, up 21% year-over-year (YoY), and adjusted EBITDA of US\$477m, up 46% YoY. By division, Cash App gross profit increased 27% YoY to US\$984m while Square gross profit increased 15% YoY to US\$899m. Positively, Block provided greater detail on their path to increased profitability, committing to achieve the rule-of-40 by FY26 with at least mid-teens gross profit growth and a mid-20s adjusted operating margin. Management also showed a stronger commitment to cost control, introducing a cap on employee count at 12k by FY24, compared with over 13k employees currently. This cap will remain in place until growth warrants further expansion, and all other cost centers are reviewed for potential efficiency gains. Jack Dorsey also intends to continue leading the Square segment, following the departure of Alyssa Henry, and believes improved execution can drive a re-acceleration of growth. The company again upgraded its FY23 guidance for adjusted EBITDA as well as adjusted operating income and provided initial FY24 guidance which was well ahead of market expectations.

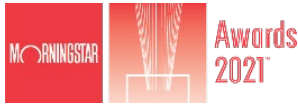
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**Hyperion named Winner
FUND MANAGER OF THE YEAR**
Morningstar 2021 Awards, Australia.



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The Hyperion Global Growth Companies Fund (Managed 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.¹

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