



15 December 2022

***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 2022.

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)**

## Market Commentary

Major equity indices were higher through November 2022 as inflationary pressures and expectations of a potential shift in central banks' policies dominated global headlines. In the U.S., the S&P 500 Total Return Index returned 5.6% over the month. Headline annual CPI inflation slowed for the fourth consecutive month to 7.7% in October which was the lowest reading since January 2022. The U.S. Federal Reserve raised the federal funds rate by another 75bps at its November meeting to 3.75%-4.0%. In his prepared remarks at the Brookings Institution, chair Powell noted that the terminal federal funds rate will likely be higher than thought in the September Summary of Economic Projections though a moderation in the pace of rate increases may be appropriate as soon as the December meeting. In Europe, the Euro STOXX 50, Germany DAX and FTSE 100 total return indices rose 9.7%, 8.6%, and 7.1%, respectively, over the month. Annual inflation in the Euro Area continued to rise, reaching 10.6% in October with energy and food the largest contributors. Annual inflation in the UK also soared to a 41-year high, reaching 11.1% in October, with gas and electricity prices making the largest upward contribution despite the government's introduction of the Energy Price Guarantee significantly limiting upward energy price pressures.

## Fund Update and Outlook

The Hyperion Global Growth Companies Fund (Managed Fund)\* returned -3.0% for November, underperforming the MSCI World Accumulation Index (AUD) by 5.1%. In Australian dollar terms, Kering SA, Meta Platforms Inc., and Hermes International SCA saw the strongest share price performance while Palantir Technologies Inc, Tesla Inc., and Amazon.com, Inc. saw the largest share price declines.

Share market volatility continued throughout November as macroeconomic news dictated share market directions. As we have stated throughout the past year, the rapid change in long-term bond yields, particularly over the past 12 months, has represented the worst macroeconomic environment for long-duration assets in a very long time. Importantly though, our portfolio has continued to perform well fundamentally.

For the year ahead, while Hyperion believes that a cyclical recession is probable, we believe a recession is unlikely to impact our portfolios' long-term earnings per share forecast and valuations due to the strong value propositions of our portfolio companies relative to their peers, their high levels of innovation and their low penetration rates.

Our portfolio continues to trade at an attractive discount to our long-term valuations and in a world where growth will again become scarce, we believe our companies' competitive positions and long-term earnings growth profiles will remain strong. Businesses that grow by taking market share will become more valuable and should be in a better position to produce attractive returns over the long term. Our latest White Paper "[Long-term "Signal" versus Short-term "Noise"](#)" explores these factors and focuses on why the macro environment should be more favourable for our investment style as we move from growth abundance to growth scarcity.

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

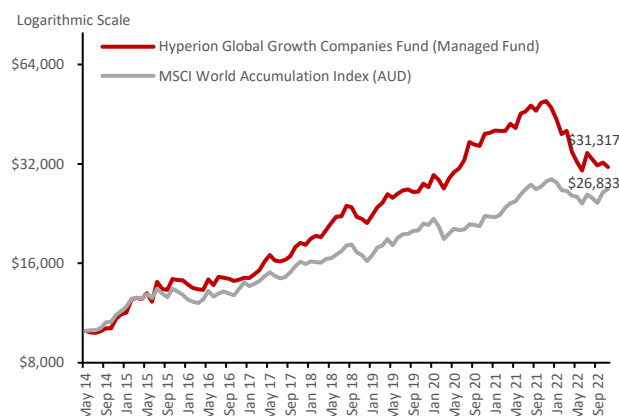
## Fund Features

- 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: 1<sup>st</sup> 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 <sup>^</sup> (%) | Excess Performance (%) |
|--------------------|---------------------|----------------------------|------------------------|
| 1 Month            | -3.0                | 2.2                        | -5.1                   |
| 3 Month            | -5.2                | 6.6                        | -11.8                  |
| 1 Year             | -36.8               | -5.2                       | -31.6                  |
| 3 Year (p.a.)      | 4.0                 | 8.4                        | -4.4                   |
| 5 Year (p.a.)      | 11.1                | 10.6                       | 0.5                    |
| 7 Year (p.a.)      | 11.9                | 10.7                       | 1.2                    |
| Inception (p.a.)** | 14.4                | 12.3                       | 2.1                    |
| Inception (TR)**   | 213.2               | 168.3                      | 44.9                   |

\*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: 1<sup>st</sup> June 2014. NAV to NAV, with all distributions reinvested.

<sup>^</sup> MSCI World Accumulation Index (AUD) <sup>^</sup>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 30<sup>th</sup> November 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

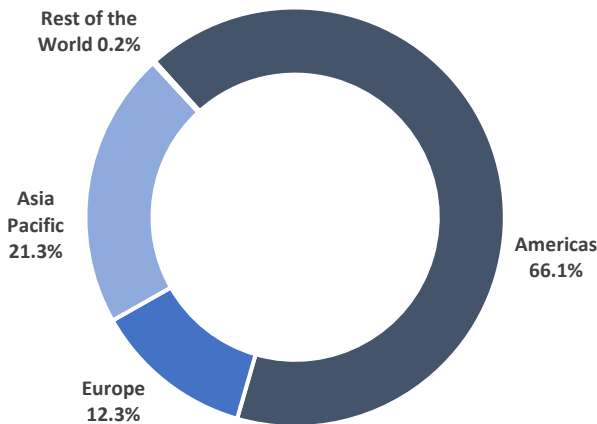
|                       | Portfolio (%) | Benchmark (%) |
|-----------------------|---------------|---------------|
| Tesla Inc.            | 13.0          | 1.0           |
| Microsoft Corporation | 11.8          | 3.5           |
| ServiceNow, Inc.      | 11.5          | 0.2           |
| Amazon.com, Inc.      | 10.5          | 1.7           |
| Block, Inc.           | 6.3           | 0.1           |

### Sector Allocation

|                        | Portfolio (%) | Benchmark (%) |
|------------------------|---------------|---------------|
| Communication Services | 7.3           | 6.6           |
| Consumer Discretionary | 34.4          | 10.5          |
| Consumer Staples       | 3.2           | 7.7           |
| Health Care            | 2.6           | 14.1          |
| Information Technology | 50.7          | 21.0          |
| Cash                   | 1.8           | --            |

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   | 5.8           | 3        |
| \$50 - \$100bn | 15.0          | 3        |
| \$100bn +      | 77.4          | 15       |
| Cash           | 1.8           | --       |
| Total          | 100           | 21       |

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

All data as at 30<sup>th</sup> November 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 (%) |
|--------------------------|------------------|----------------|----------------------------|
| Visa Inc.                | 18.6             | 3.5            | 0.6                        |
| Mastercard Incorporated  | 19.8             | 2.3            | 0.3                        |
| Costco Wholesale Corp.   | 5.9              | 3.3            | 0.3                        |
| Hermes International SCA | -9.6             | 2.5            | 0.3                        |
| LVMH                     | 4.0              | 1.0            | 0.2                        |

| Detractors           | Price change (%) | Avg Weight (%) | Contribution to return (%) |
|----------------------|------------------|----------------|----------------------------|
| Tesla Inc.           | -46.0            | 12.4           | -6.6                       |
| Block, Inc.          | -65.6            | 6.8            | -5.5                       |
| Amazon.com, Inc.     | -41.7            | 11.0           | -4.3                       |
| Spotify Technolog SA | -64.7            | 4.3            | -3.7                       |
| Roku, Inc.           | -72.4            | 2.4            | -3.0                       |

### Portfolio Characteristics ^

|                              | Portfolio |
|------------------------------|-----------|
| Number of Holdings           | 21        |
| Top 10 Security Holdings (%) | 74.0      |
| Dividend Yield (%)**         | 0.3       |
| Portfolio Beta               | 1.4       |

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)     | \$1,858.6 million                                     |
| NAV Price           | \$3.0081  |
| Pricing Frequency   | Daily   |
| Registry            | Automatic   |
| Risk/Return Profile | The Fund's risk band is 6 (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

### Block, Inc. (SQ-US)

Primary Exchange

NYSE

GICS Sector

Information Technology

Market Cap (US\$m)

32,283



Block, Inc. (Block) released its results for the third quarter ended September 2022. The business reported net revenue growth excluding Bitcoin of 36% year-on-year (YoY) to US\$2.75b and total gross profit growth of 38% YoY to US\$1.57bn. Block's Cash App segment achieved gross profit of US\$774m, up 51% YoY. The Cash App platform continues to expand with monthly transacting actives growing 20% YoY to 49 million while Cash Card monthly active users grew to almost 18 million. Inflows per transacting active also remained elevated at \$1,046 in the quarter despite government stimulus having now ended. The Square segment delivered gross profit of US\$783m, representing 29% growth YoY. The company continues to focus on enhancing their ecosystem of products, growing upmarket, and expanding internationally. The quarter saw Square's vertical-specific point of sale solutions grow 45% YoY while gross profit from mid-market sellers increased 22% YoY. Management continues to expect that, once integrated, Afterpay will provide a key link between the Cash App and Square ecosystems. For Q4 2022, gross profit growth is expected to remain relatively consistent with the third quarter YoY. Block is also showing meaningful expense discipline with non-GAAP operating expense growth plans having now been reduced \$590m over the course of the year.

### Airbnb, Inc. (ABNB-US)

Primary Exchange

NASDAQ

GICS Sector

Consumer Discretionary

Market Cap (US\$m)

42,675



Airbnb, Inc. (Airbnb) released its results for the third quarter ended September 2022 and reported its most profitable quarter ever with revenue up 36% YoY to US\$2.9b and EBITDA up 32% YoY to US\$1.5b. Nights and experiences booked grew 25% YoY to 99.7m with strong international travel seeing cross-border bookings up 58% YoY, while high density urban nights booked grew 27% YoY. By geography, nights and experiences booked grew 65% YoY in Asia Pacific, 33% YoY in Latin America, and 20% YoY in both North America and EMEA. The number of listings on Airbnb grew a 15% YoY (excluding Airbnb's exit from China), driven by macroeconomic uncertainty increasing demand for extra income as well as Airbnb's product improvements. Airbnb has released a number of measures specifically targeted at improving the hosting experience including AirCover, as well as various product initiatives outlined in the Winter release to reduce Host friction. Airbnb continues to experience high rates of organic demand, with 90% of traffic being direct or unpaid, reconfirming its status as a market leader.

### Visa Inc. (V-US)

Primary Exchange

NYSE

GICS Sector

Information Technology

Market Cap (US\$m)

338,710



Visa Inc. (Visa) provided a payment volume update for 1st October through until 21st November (QTD), reporting strong payment volume growth despite suspending its Russian operations in March. U.S. payments volume was up 10% YoY for the QTD and now at 147% of pre-pandemic 2019 levels. Cross-border volume was up 22% YoY for the QTD on a FY23 constant-dollar basis and now at 135% of 2019 levels. Excluding intra-Europe transactions, cross-border volume was up 32% YoY for the QTD and are at 131% of 2019 volumes. Overall, the growth trends are stable and remain positive.

**CONTACT US**

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**Awards  
2021**

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

**DISCLAIMER – HYPERION GLOBAL GROWTH COMPANIES FUND (MANAGED FUND)**

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