

Hyperion Quarterly Report

March
2006

Hyperion Australian Growth Companies Fund

Hyperion Small Growth Companies Fund

Hyperion Listed Property Fund

Hyperion Overseas Equity Fund

Hyperion Managed Fund

Hyperion Bond Fund

Hyperion Balanced Superannuation Fund

A different horizon

Performance Review

Fund Name	Activation Date	Fund Size
Hyperion Australian Growth Companies Fund	February 1994	\$22,181,669
Benchmark		
Hyperion Small Growth Companies Fund	January 1995	\$5,468,642
Benchmark		
Hyperion Listed Property Fund	September 1998	\$5,921,560
Benchmark		
Hyperion Overseas Equity Fund	February 1993	\$13,597,863
Benchmark		
Hyperion Managed Fund	September 1996	\$10,090,575
Benchmark		
Hyperion Bond Fund	May 1993	\$5,456,639
Benchmark		
Hyperion Balanced Superannuation Fund	November 1992	\$3,404,047
Benchmark		

The benchmarks used are detailed on the individual fund pages in this report. Performance numbers are calculated using Net Asset Value unit prices after fees with distributions reinvested. These numbers do not allow for entry fee, income tax, inflation effects, or for the fees charged by a master trust.

3 Months	2006	2005	2004	Since Inception
11.4%	35.6%	30.8%	16.9%	13.2%
9.1%	30.2%	25.4%	23.8%	11.3%
16.5%	29.3%	34.9%	55.7%	16.4%
12.7%	31.3%	26.0%	39.0%	11.1%
0.9%	15.5%	19.4%	14.8%	11.9%
1.8%	18.5%	20.0%	13.9%	12.6%
5.7%	16.3%	8.7%	28.8%	8.8%
9.7%	28.0%	9.4%	11.5%	5.9%
5.6%	21.8%	13.2%	15.8%	11.5%
5.8%	18.4%	13.3%	13.6%	N/A
0.7%	5.1%	4.1%	3.0%	5.2%
1.0%	5.9%	4.9%	5.1%	5.7%
5.3%	21.4%	12.3%	16.1%	14.0%
5.8%	18.4%	13.3%	13.6%	N/A

The '3 months' performance numbers are for the three months to 31 March 2006. For the years 2006, 2005 and 2004, performance numbers are for the 12-month period to 31 March of the year stated. Performance numbers 'Since Inception' are annualised from the fund inception date to 31 March 2006. All performance numbers represent past returns and are not necessarily an indicator of future returns. All figures are in Australian dollar terms.

Hyperion Australian Growth Companies Fund

APIR BNT0003AU
ARSN 089 548 443

Investment Activity

- During the March quarter we increased the portfolio's exposure to Babcock & Brown, Woolworths and Brambles.
- The portfolio's exposure to Westpac, Rio Tinto and Billabong were reduced during the quarter, whilst the entire holding in Australian Stock Exchange and Sydney Futures Exchange were removed from the portfolio.
- Sydney Futures Exchange appreciated strongly after Australian Stock Exchange announced their intention to acquire the company, STW Communications also performed well after releasing a strong half year financial result.

Distributions

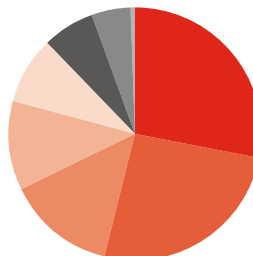
Income is distributed quarterly. The March quarter distribution was 1.56 cents per unit.

Benchmark

S&P/ASX 300 Accumulation Index.

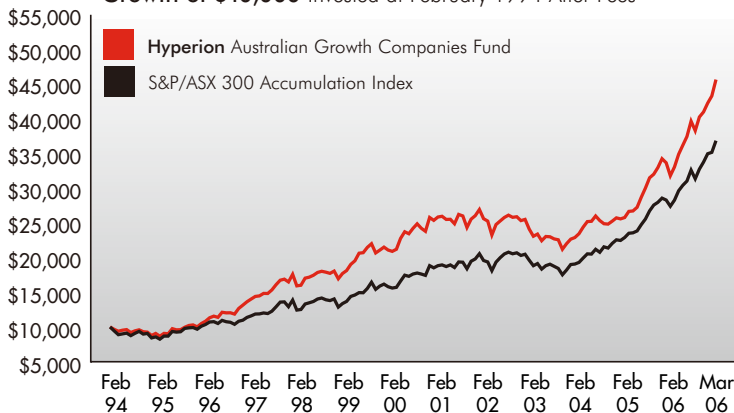
Asset Allocation

As at 31 March 2006



Consumer Discretionary	28.1%
Financials	25.8%
Materials	13.9%
Industrials	11.4%
Cash and Equivalent	8.6%
Healthcare	6.8%
Consumer Staples	5.0%
Other	0.4%

Growth of \$10,000 Invested at February 1994 After Fees



Hyperion Small Growth Companies Fund

APIR BNT0101AU
ARSN 089 548 943

Investment Activity

- Ⓞ During the quarter under review we increased our exposure to Cabcharge, Primary Healthcare and Seek.
- Ⓞ We removed Sydney Futures Exchange from the portfolio during the March quarter and reduced our exposure to Great Southern Plantations and Technology One.
- Ⓞ Mortgage Choice, Seek and Nick Scali were amongst the best performing companies during the quarter, whilst the worst performing companies were Vision Group, Cabcharge and Blackmores.

Distributions

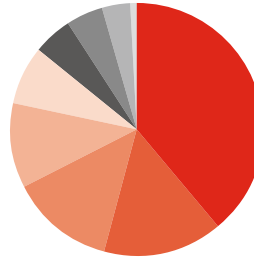
Income is distributed quarterly. The March quarter distribution was 1.80 cents per unit.

Benchmark

S&P/ASX Small Ordinaries Accumulation Index

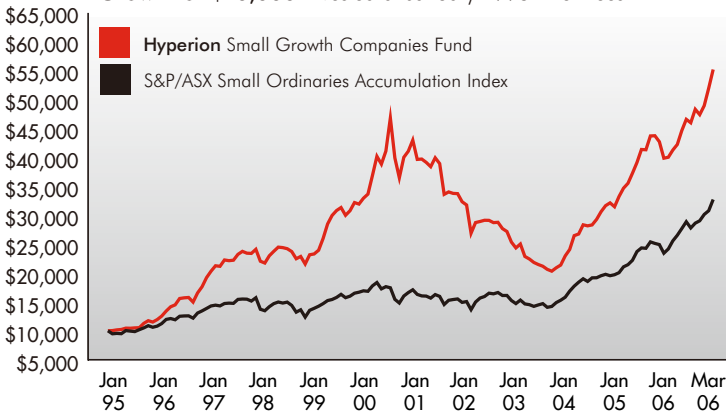
Asset Allocation

As at 31 March 2006



Consumer Discretionary	39.0%
Healthcare	15.2%
Financials	13.3%
Industrials	11.1%
Information Technology	7.4%
Materials	4.9%
Cash and Equivalent	4.8%
Other	3.7%
Consumer Staples	0.6%

Growth of \$10,000 Invested at January 1995 After Fees



Hyperion Listed Property Fund

APR WH101 00AU
ARSN 089 548 130

Investment Activity

- The Fund generated a low positive return over the quarter as the property sector was negatively impacted by rising global interest rates and depreciation in the Australia - US dollar exchange rate.
- The office sub-sector was the strongest performer over the quarter, followed by the Industrial sub-sector.

Distributions

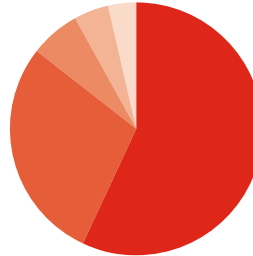
Income is distributed quarterly. There was no distribution for the March quarter.

Benchmark

S&P/ASX 300 Property Trusts Accumulation Index.

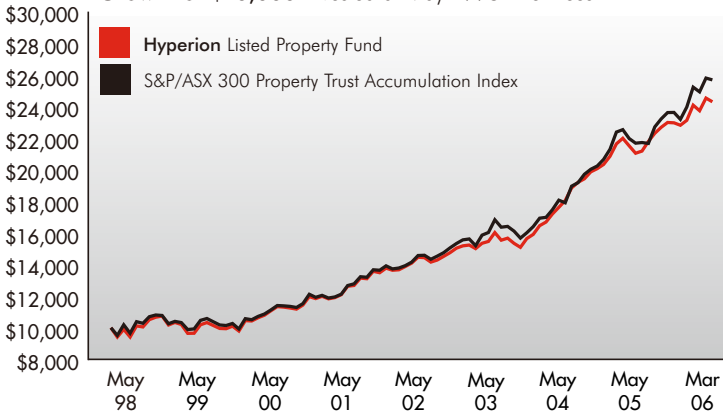
Asset Allocation

As at 31 March 2006



Retail Property	57.1%
Diversified Property	28.7%
Industrial Property	6.4%
Cash and Equivalent	4.4%
Commercial Property	3.4%

Growth of \$10,000 Invested at May 1998 After Fees



Hyperion Overseas Equity Fund

APIR BNT0007AU
ARSN 089 548 041

Investment Activity

- ☉ The portfolio has completed its transition by increasing its level of exposure in the North American market during the quarter, thus reducing the large weighting that was held in Cash, as reported in the December quarterly report.
- ☉ The portfolio has reduced its investment exposure to Europe, United Kingdom and Japan and has maintained its overweight position to Emerging markets and in particular the developing nations of Asia.

Distributions

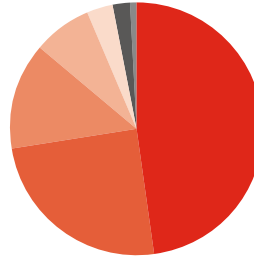
Income is distributed quarterly. There was no distribution for the March quarter.

Benchmark

MSCI World Index ex Australia in Australian dollars.

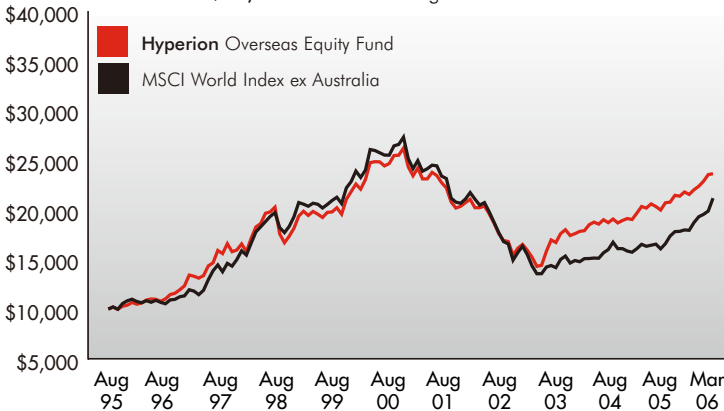
Asset Allocation

As at 31 March 2006



North America	47.9%
Asia Ex Japan	24.6%
Cash and Equivalent	13.8%
Europe	7.4%
United Kingdom	3.3%
Japan	2.2%
Other	0.8%

Growth of \$10,000 Invested at August 1995 After Fees



Hyperion Managed Fund

APIR BNT0002AU
ARSN 089 548 201

Investment Activity

- During the March quarter under review we increased our exposure to the Property sector and International Equities by reducing the Portfolio's weighting in Australian Fixed Interest, Australian Equities and Cash.
- The Australian Equity sector achieved the strongest performance during the quarter, followed by the International Equity sector.

Distributions

Income is distributed quarterly. The March quarter distribution was 0.21 cents per unit.

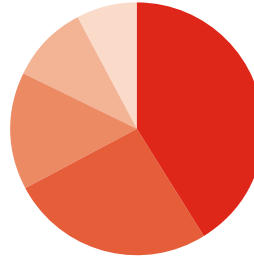
Benchmark

InTech Balanced Growth Survey (from 1/2/2005)
All returns for the Average Manager, after fees and tax.

Wilson HTM Balanced Index (to 31/1/2005)
Is a benchmark composed by Wilson HTM Investment Group.

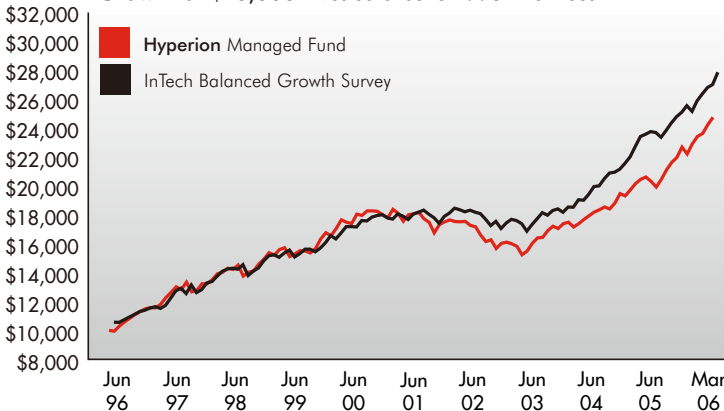
Asset Allocation

As at 31 March 2006



Australian Equities	41.2%
Property	26.2%
International Equities	14.9%
Australian Fixed Interest	10.1%
Cash and Equivalent	7.6%

Growth of \$10,000 Invested at June 1996 After Fees



Hyperion Bond Fund

APR BNT0005AU
ARSN 089 548 998

Investment Activity

- During the quarter the Fund performed inline with expectations with the portfolio's high yield investments performing relatively strongly.
- The portfolio retains its well diversified exposure to government, semi-government, corporate, mortgage and other fixed interest securities.

Distributions

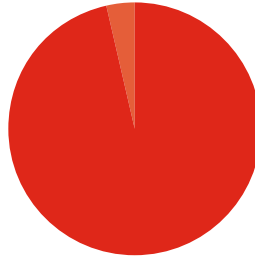
Income is distributed quarterly. The March quarter distribution was 0.16 cents per unit.

Benchmark

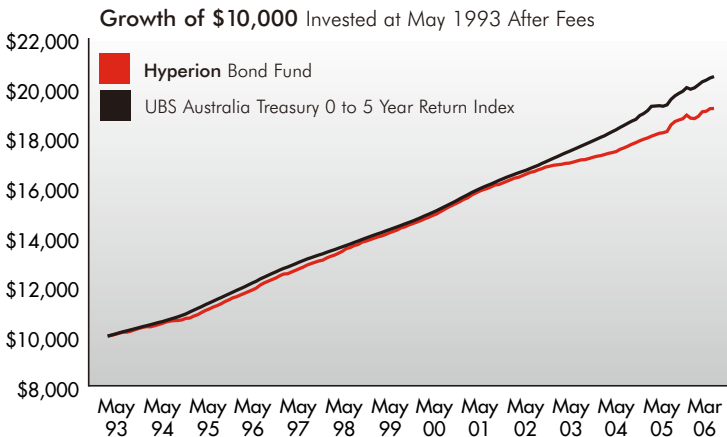
UBS Australia Treasury 0 to 5 Year Return Index (from 1/7/2004).
UBS Warburg Bank Bill Index (to 30/6/2004).

Asset Allocation

As at 31 March 2006



Fixed Interest	96.5%
Cash and Equivalent	3.5%



Hyperion Balanced Superannuation Fund

APIR BNT0001AU
SFN 280 420 943

Investment Activity

- During the March quarter under review we increased our exposure to the Property sector and International Equities by reducing the Portfolio's weighting in Australian Fixed Interest, Australian Equities and Cash.
- The Australian Equity sector achieved the strongest performance during the quarter, followed by the International Equity sector.

Eligible Investors

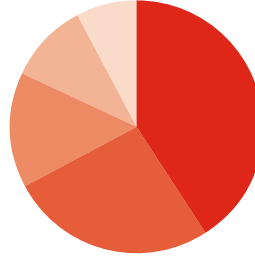
Regulated superannuation funds, approved deposit funds or other pooled superannuation trusts.

Benchmark

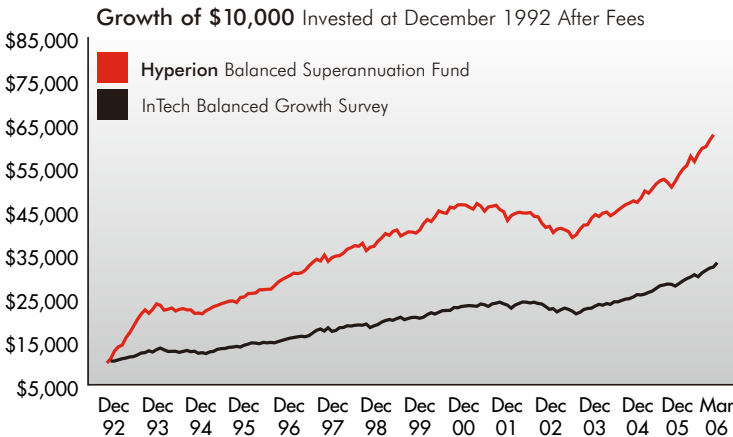
InTech Balanced Growth Survey
All returns for the Average Manager, after fees and tax.

Asset Allocation

As at 31 March 2006



Australian Equities	41.1%
Property	26.2%
International Equities	14.9%
Australian Fixed Interest	10.1%
Cash and Equivalent	7.7%



About Hyperion

Hyperion Asset Management is:

- ☞ A successful boutique satellite investment manager
- ☞ An Australian equity specialist, currently with a small to mid-cap bias
- ☞ A high conviction growth manager
- ☞ Benchmark insensitive
- ☞ Agnostic to trends, sectors and fads
- ☞ Process and research driven
- ☞ Investment out-performance driven
- ☞ Always true to label

Hyperion was incorporated in 1997 and is an associate of the Wilson HTM Investment Group.

How to Invest

Direct Access

Direct Investors with more than \$50,000 of investable cash may invest directly in the **Hyperion** Australian Equity Solutions and the **Hyperion** Wholesale Managed Funds (**Hyperion** Funds) Product Disclosure Statements (PDS).

Investment into these **Hyperion** Funds must be via an application form attached to the relevant **Hyperion** Funds' PDS dated 1st February 2005 incorporating a Supplementary PDS dated 7th November 2005, a copy of which may be downloaded from our website www.hyperionam.com.au

External Master Trusts

The **Hyperion** Funds are available via master trusts, wrap accounts and other Investor Directed Portfolio Services (IDPS). Investors gaining exposure to these **Hyperion** Funds through an IDPS do not themselves become investors in the **Hyperion** Fund. It is generally the operator of the IDPS, or their custodian or nominee, who invests on behalf of the investor and has the rights of an investor. They exercise their rights in accordance with their arrangements with the investor. Indirect investors complete an application form for the IDPS and receive reports from their operator, not from the Responsible Entity, WHTM Capital Management Limited ABN 29 082 494 362, AFSL Number 238371.

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HYPERION
ASSET MANAGEMENT

A different horizon