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Annual Report
Year End 30 June 2006

Hyperion Overseas Equity Fund

Hyperion Overseas Equity Fund

ARSN 089 548 041

Annual report - 30 June 2006

Contents

This financial report covers Hyperion Overseas Equity Fund as an individual entity and the consolidated entity consisting of Hyperion Overseas Equity Fund and its subsidiaries.

The responsible entity of Hyperion Overseas Equity Fund is WHTM Capital Management Limited (ABN 29 082 494 362). The responsible entity's registered office is 71 Eagle Street, Brisbane, QLD 4000.

Directors' report

The directors of WHTM Capital Management Limited, the responsible entity of Hyperion Overseas Equity Fund, present their report together with the financial report of Hyperion Overseas Equity Fund ("the Consolidated Entity"), for the year ended 30 June 2006.

Principal activities

The consolidated entity is a registered managed investment scheme domiciled in Australia.

The consolidated entity aims to achieve medium to long-term capital growth and income by investing in international equities.

There were no significant changes in the nature of the consolidated entity's activities during the year.

The consolidated entity did not have any employees during the year.

Directors

The following persons held office as directors of WHTM Capital Management Limited during the year or since the end of the year and up to the date of this report:

Mr A Ihlenfeldt (Appointed 8 October 2004)
Mr N Schafer (Appointed 8 October 2004, Resigned 2 January 2006)
Mr I Harrison (Appointed 8 October 2004)
Mr B Usasz (Appointed 8 October 2004)
Mr G Lowrey (Appointed 8 March 2006)

Review of operations

During the year, the consolidated entity continued to invest funds in accordance with target asset allocations as set out in the governing documents of the consolidated entity and in accordance with the provisions of the consolidated entity Constitution.

On 20 December 2005, the Hyperion Overseas Equity Fund disposed of its entire investment, resulting in a loss of controlling interest in the units of the GEC Eurogrowth Fund.

Management expense ratio (MER)

The MER calculation includes fees charged to the consolidated entity during the financial year, including those charged by the responsible entity directly for management of the assets, and custodial fees.

Expenses excluded from the MER calculation are those that would have ordinarily been incurred by a direct investor in the underlying assets of the consolidated entity, such as brokerage, transaction costs and government taxes.

	Consolidated Year ended		**Parent Year ended**	
	30 June 2006 $'000	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
Ordinary				
MER related expenses incurred directly	**201**	369	**151**	135
Total MER related expenses	**201**	369	**151**	135
Average unitholders' funds*	**12,413**	14,490	**12,413**	14,335
	%	%	**%**	%
MER	**1.62**	2.55	**1.22**	0.94

Directors' report (continued)

Management expense ratio (MER) (continued)

* The average unitholders' funds used to calculate the MER is the average net assets of the consolidated entity, which is calculated on a daily basis.

Impact of applying Australian equivalents to international financial reporting standards (AIFRS) for financial reporting.

During the year the consolidated entity applied AIFRS for financial reporting purposes.

The consolidated entity has elected to adopt the exemption in AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards to not restate comparatives for the effects of AASB 132 Financial Instruments: Disclosure and presentation and AASB 139 Financial Instruments: Recognition and measurement. Accordingly the adjustments described below were made as of 1 July 2005. There are no other adjustments as a result of adopting AIFRS.

Valuation of investments
For the purpose of determining unit prices for applications and redemptions, quoted investment positions are valued on a last sale basis (which includes provision for disposal costs) on the relevant trading day, in accordance with the consolidated entity Constitution and the governing documents of the consolidated entity. These were also the values applied to the investments under previous AGAAP.

AIFRS requires that long/(short) quoted investment positions be valued at the closing bid/(ask) prices (excluding provision for disposal costs) on the relevant trading day.

Amounts attributable to unitholders
Units issued by the consolidated entity provide investors with the right to put them back to the consolidated entity at the prevailing redemption price. As such, AIFRS requires net assets attributable to unitholders to be classified and disclosed as a liability in the balance sheets with changes in net assets attributable to unitholders being reflected in the income statements (AASB 139 requires changes in the value of a financial liability to be taken through the income statements). Under AGAAP, the net assets attributable to unitholders were presented as equity.

It is the opinion of the directors that adopting AIFRS does not have unit pricing consequences, as the basis of unit price accounting is as outlined in the consolidated entity Constitution and the governing documents of the consolidated entity. The key differences between net assets for unit pricing purposes and net assets as reported in the financial statements prepared under AIFRS have been outlined below:

Consolidation
Under previous GAAP, consolidated entity's that held more than 50% of the units of another consolidated entity did not consolidate these consolidated entity's, as it was not considered that the investors in the investing consolidated entity had the capacity to exercise control and the application of the consolidation standard was not of material consequence to the result of the consolidated entity. However, under AIFRS, consolidated entity's with more than 50% holding in the units of another consolidated entity are required to prepare consolidated financial statements in accordance with AASB 127 and UIG 112.

	Parent	
	30 June 2006 $'000	**30 June 2005 $'000**
Net assets for unit pricing purposes	**11,753**	11,366
Difference between net market value (for unit pricing) and fair value (for financial reporting) of securities	**(280)**	-
Reclassification of net assets attributable to unitholders to liabilities	**(11,473)**	-
Net assets under AIFRS	**-**	11,366

Directors' report (continued)

Results

The performance of the consolidated entity, as represented by the results of its operations, was as follows:

	Consolidated Year ended		Parent Year ended	
	30 June 2006 $'000	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
Net operating profit/(loss)	**1,005**	1,158	**939**	1,232
Distribution paid and payable	**80**	165	**80**	165
Distribution (cents per unit)	**0.86**	1.13	**0.86**	1.13

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review.

Matters subsequent to the end of the financial year

Except as disclosed in note 19 in the financial report, no other matter or circumstance has arisen since 30 June 2006 that has significantly affected, or may significantly affect:

(i) the operations of the consolidated entity in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the consolidated entity in future financial years.

Likely developments and expected results of operations

The consolidated entity will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the consolidated entity and in accordance with the provisions of the consolidated entity Constitution.

The results of the consolidated entity's operations will be affected by a number of factors, including the performance of investment markets in which the consolidated entity invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the consolidated entity in regards to insurance cover provided to either the officers of WHTM Capital Management Limited or the auditors of the consolidated entity. So long as the officers of WHTM Capital Management Limited act in accordance with the consolidated entity Constitution and the Law, the officers remain indemnified out of the assets of the consolidated entity against losses incurred while acting on behalf of the consolidated entity. The auditors of the consolidated entity are in no way indemnified out of the assets of the consolidated entity.

Fees paid to and interests held in the consolidated entity by the responsible entity or its associates

Fees paid to the responsible entity and its associates out of consolidated entity property during the year are disclosed in Note 17 on page 26 of the financial statements.

No fees were paid out of consolidated entity property to the directors of the responsible entity during the year.

The number of units in the Scheme held by the responsible entity or its associates as at the end of the financial year are disclosed in Note 17 on page 26 of the financial statements.

Directors' report (continued)

Environmental regulation

The operations of the consolidated entity are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The consolidated entity is an entity of a kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities & Investments Commission relating to the “rounding off” of amounts in the directors’ report and financial report. Amounts in the directors’ report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the directors.

Mr A Ihlenfeldt
Director

Brisbane

17 November 2006

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Auditor's Independence Declaration

As lead auditor for the audit of Hyperion Overseas Equity Fund for the year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hyperion Overseas Equity Fund and the entities it controlled during the period

Timothy J Allman
Partner
PricewaterhouseCoopers

Brisbane
17 November 2006

Income statements

		Consolidated Year ended		Parent Year ended	
	Notes	**30 June 2006 $'000**	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
Investment income					
Interest income		**67**	57	**32**	21
Scheme Distributions	4	**589**	280	**276**	279
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	**554**	1,185	**786**	1,067
Other operating income		**7**	5	**6**	-
Total investment income/(loss)		**1,217**	1,527	**1,100**	1,367
Expenses					
Manager's fees		**106**	215	**71**	83
Custody fees		**53**	87	**38**	39
Auditor's remuneration	6	**16**	49	**16**	9
Transaction costs		**6**	-	**6**	-
Other operating expenses		**31**	18	**30**	4
Total operating expenses		**212**	369	**161**	135
Net operating profit/(loss)		**1,005**	1,158	**939**	1,232
Financing costs attributable to unitholders					
Distributions to unitholders of the parent entity	8	**80**	-	**80**	-
Increase/(decrease) in net assets attributable to unitholders	7	**918**	-	**859**	-
Increase/(decrease) in net assets attributable to minority interests		**7**	-	**-**	-
Net profit/(loss) for the year		**-**	1,158	**-**	1,232
Distribution					
Net profit/(loss)		**-**	1,158	**-**	1,232
Difference between net operating income and net distributable income	7	**-**	(972)	**-**	(1,067)
Increase/(decrease) in net assets attributable to minority interests		**-**	(21)	**-**	-
Distributions to unitholders of the parent entity		**-**	165	**-**	165

The above income statements should be read in conjunction with the accompanying notes.

Balance sheets

		As at Consolidated		As at Parent	
	Notes	**30 June 2006 $'000**	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
Assets					
Cash and cash equivalents	9	**518**	386	**518**	277
Receivables	12	**1,620**	207	**1,620**	193
Financial assets held at fair value through profit or loss	10	**10,792**	11,172	**10,792**	11,117
Total assets		**12,930**	11,765	**12,930**	11,587
Liabilities					
Distributions payable		**80**	3	**80**	3
Payables	15	**1,377**	300	**1,377**	218
Net assets valuation methodology difference		**-**	(51)	**-**	-
Total liabilities (excluding net assets attributable to unitholders)		**1,457**	252	**1,457**	221
Net assets attributable to unitholders of the parent entity (liability)	7	**11,473**	-	**11,473**	-
Net assets		**-**	11,513	**-**	11,366
Equity					
Net assets attributable to minority interests (redemption price of units)		**-**	147	**-**	-
Net assets attributable to unitholders of the parent entity		**-**	11,366	**-**	11,366
Net assets attributable to unitholders (equity)		**-**	11,513	**-**	11,366

The above balance sheets should be read in conjunction with the accompanying notes.

Statements of changes in equity

	Consolidated Year ended		Parent Year ended	
	30 June 2006 $'000	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
Total equity at the beginning of the financial year	**11,513**	17,023	**11,366**	17,023
Adjustment on adoption of AASB132 and AASB139	**(11,513)**	-	**(11,366)**	-
Total equity at the beginning of the financial year (restated)	**-**	17,023	**-**	17,023
Profit/(loss) for the year	**-**	1,158	**-**	1,232
Total recognised income and expense for the year	**-**	1,158	**-**	1,232
Distributions to equity holders	**-**	(165)	**-**	(165)
Movements in equity during the period	**-**	(6,503)	**-**	(6,724)
Total equity at the end of the financial year	**-**	11,513	**-**	11,366

Under AIFRS, net assets attributable to unitholders is classified as a liability rather than equity. As a result, after restating the opening balance, there was no equity at the start or end of the year.

The consolidated entity has elected to adopt the exemption in AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards to not restate comparatives for the effects of AASB132 Financial Instruments: Disclosure and Presentation. As a result, for the comparative period, net assets attributable to unitholders is reported as equity.

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statements

	Notes	Consolidated Year ended 30 June 2006 $'000	30 June 2005 $'000	Parent Year ended 30 June 2006 $'000	30 June 2005 $'000
Cash flows from operating activities					
Proceeds from sale of financial instruments held at fair value through profit or loss		**15,764**	12,102	**11,759**	11,958
Purchase of financial instruments held at fair value through profit or loss		**(11,887)**	(12,212)	**(11,886)**	(5,706)
Dividends received		**-**	1	**-**	1
Interest received		**66**	57	**32**	22
Trust distributions received		**441**	97	**127**	96
Other income received		**7**	5	**6**	-
Manager fees paid		**(128)**	(212)	**(90)**	(65)
Custody fees		**(46)**	-	**(46)**	-
Other expenses paid		**-**	-	**-**	-
Transaction costs on purchase of financial instruments held at fair value through profit & loss		**(6)**	-	**(6)**	-
Payment of other expenses		**(100)**	(113)	**(20)**	(59)
RITC received/(payable)		**16**	33	**8**	10
Net cash inflow/(outflow) from operating activities	18(a)	**4,127**	(242)	**(116)**	6,257
Cash flows from financing activities					
Proceeds from applications by unitholders		**10,653**	1,257	**10,652**	1,257
Payments for redemptions by unitholders		**(10,323)**	(8,144)	**(10,295)**	(8,130)
Net cash inflow/(outflow) from financing activities		**330**	(6,887)	**357**	(6,873)
Net increase/(decrease) in cash and cash equivalents		**4,457**	(7,129)	**241**	(616)
Cash and cash equivalents at beginning of the year		**386**	7,520	**277**	893
Effects of foreign currency exchange rate changes on cash and cash equivalents		**1**	(5)	**-**	-
Cash disposed		**(4,326)**	-	**-**	-
Cash and cash equivalents at the end of the year	18(b),9	**518**	386	**518**	277
Non-cash financing activities	18(c)	**28**	184	**28**	184
		-	-	**-**	-

The above cash flow statements should be read in conjunction with the accompanying notes.

Contents

1 General information

The financial report report covers Hyperion Overseas Equity Fund and its subsidiaries as a consolidated entity.

The responsible entity of the consolidated entity is WHTM Capital Management Limited (the "responsible entity"). The responsible entity's registered office is 71 Eagle Street, Brisbane, QLD 4000.

The Custodian of the consolidated entity is National Australia Bank.

The consolidated entity aims to generate medium to long-term capital growth and income by investing in international equities.

The financial statements were authorised for issue by the directors on 25 October 2006. The directors have the power to amend the financial statements after they have been issued.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001* in Australia.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRS ensures that the financial report of the consolidated entity, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

This is the first annual financial report of the consolidated entity prepared in accordance with AIFRS. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing this financial report.

The financial statements of the consolidated entity until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the 30 June 2006 financial statements, the directors have amended certain accounting and valuation methods applied in the AGAAP financial statements to comply with AIFRS. The comparative figures in respect of the year ended 30 June 2005 were restated to reflect these adjustments.

The consolidated entity has elected to adopt the exemption in AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards to not restate comparatives for the effects of AASB 132 Financial instruments: Disclosure and presentation and AASB 139 Financial instruments: Recognition and measurement.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on net assets attributable to unitholders and profit are given in note 2(s).

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Hyperion Overseas Equity Fund ("the parent entity") as at 30 June 2006 and the results of all subsidiaries for the year then ended. Hyperion Overseas Equity Fund and its subsidiaries together are referred to in this financial report as the consolidated entity.

2 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity.

All transactions (including gains and losses) and balances between entities in the consolidated group are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Minority interests in the results and net assets of subsidiaries are shown separately in the consolidated income statements and balance sheets respectively.

(c) Financial instruments

From 1 July 2004 to 30 June 2005

As the consolidated entity has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 July 2005, previous AGAAP has been applied to the comparative information on financial instruments within the scope of AASB 132 and AASB 139. For the comparative period, financial instruments were measured at net market value, with securities priced based on a last trade basis and including provision for future disposal costs.

Adjustments on transition date: 1 July 2005

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 is that, with the exception of held to maturity investments and loans and receivables which are measured at amortised cost (refer below), fair value is the measurement basis. Changes in fair value are taken to the income statement (refer below).

(i) Classification

The consolidated entity's investments are categorised as at fair value through profit or loss (prior to the adoption of AIFRS, they were classified as "investment securities" and "derivatives"). They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition

  These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts, unlisted equity instruments and commercial paper.

As the consolidated entity has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005, investments held in the prior year have not been re-stated, however, where practical, investments have been re-categorised to enhance comparability.

(ii) Recognition

The consolidated entity recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

(iii) Measurement

(a) Financial assets and liabilities held at fair value through the profit or loss

2 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit and loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the income statements.

- Fair value in an active market

  The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the balance sheets date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

- Fair value in an inactive or unquoted market

  The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

  Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used in a market rate at the balance sheets date applicable for an instrument with similar terms and conditions.

  For other pricing models, inputs are based on market data at the balance sheets date. Fair values for unquoted equity investments are estimated, if possible, using applicable pricing/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

  Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such funds.

(d) Investments in subsidiaries

Investments in subsidiaries are measured in accordance with note 2(c).

(e) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the consolidated entity at any time for cash equal to a proportionate share of the consolidated entity's net asset value. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance sheets date if unitholders exercised their right to put the units back to the consolidated entity. Because the consolidated entity's redemption unit price is based on different valuation principles to that applied in financial reporting, a valuation difference exists, which has been treated as a separate component of net assets attributable to unitholders. Changes in the value of this financial liability are recognised in the income statements as they arise.

In the comparative period, net assets attributable to unitholders was classified as equity and represented the unitholders' interest in the net assets of the consolidated entity.

(f) Cash and cash equivalents

For cash flow statements presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheets.

2 Summary of significant accounting policies (continued)

(f) Cash and cash equivalents (continued)

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the consolidated entity's main income generating activity.

(g) Investment income

Interest income and expenses are recognised in the income statements for all debt instruments using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in2((c))

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the consolidated entity estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense.

Trust distributions are recognised on an entitlements basis as the Scheme is presently entitled to the distributable income of its investee trusts.

Investment income is brought to account on an accrual basis.

(h) Expenses

All expenses, including manager's fees and custodian fees, are recognised in the income statement on an accruals basis.

(i) Income tax

Under current legislation, the consolidated entity is not subject to income tax provided the taxable income of the consolidated entity is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the consolidated entity).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the consolidated entity is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the consolidated entity to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

(j) Distributions

In accordance with the consolidated entity Constitution, the consolidated entity fully distributes its distributable (taxable) income to unitholders by cash or reinvestment. The distributions are recognised in the income statements as finance costs attributable to unitholders.

In the prior period, distributions were recognised as a reduction of unitholders' funds.

2 Summary of significant accounting policies (continued)

(k) Increase/decrease in net assets attributable to unitholders

Non-distributable income is included in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of financial instruments held at fair value through profit or loss, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax.

Movements in net assets attributable to unitholders are recognised in the income statement as financing costs.

(l) Functional and presentation currency

Items included in the Scheme’s financial statements are measured using the currency of the primary economic environment in which it operates (the “functional currency”). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme’s presentation currency.

(m) Due from/to brokers

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year.

(n) Receivables

Receivables may include amounts for dividends, interest, trust distributions and securities sold where settlement has not yet occurred. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment using the effective interest rate method. Amounts are generally received within 30 days of being recorded as receivables.

(o) Payables

Payables includes liabilities and accrued expenses owing by the consolidated entity which are unpaid as at balance date.

Trades are recorded on trade date, and normally settled within three business days. Purchases of securities and investments that are unsettled at reporting date are included in payables.

The distribution amount payable to unitholders as at the reporting date is recognised separately on the balance sheets as unitholders are presently entitled to the distributable income as at 30 June 2006 under the consolidated entity Constitution.

(p) Applications and redemptions

Applications received for units in the consolidated entity are recorded net of any entry fees payable prior to the issue of units in the consolidated entity. Redemptions from the consolidated entity are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to unit pricing accounting outlined in the consolidated entity constitution and PDS.

2 Summary of significant accounting policies (continued)

(q) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the consolidated entity by third parties such as audit fees, custodial services and investment management fees have been passed onto the consolidated entity. The consolidated entity qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management fees, custodial fees and other expenses have been recognised in the income statements net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheets. Cash flows relating to GST are included in the cash flow statements on a gross basis.

(r) Use of estimates

The consolidated entity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(s) Impact of the adoption of AIFRS

As stated in note 2(a), the consolidated entity has elected to adopt the exemption in AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards to defer the application of AASB 132 and AASB 139. As a result, no adjustments were required to be made to figures previously reported on transition to AIFRS on 1 July 2004, and no adjustments are required to be made to the net profit for the year ended 30 June 2005. Upon application of AASB 132 and AASB 139 from 1 July 2005 certain adjustments have been made to the 30 June 2005 figures previously reported, as set out below. For the purposes of this note "unitholders' funds" has the same meaning as the presentation of "net assets attributable to unitholders" in the balance sheets.

(i) **Reconciliation of total unitholders' funds as presented under previous AGAAP to that under AIFRS:**

		Parent 1 July 2005 $'000
	Total unitholders' funds brought forward under previous AGAAP	11,366
(a)	Changes in valuation of securities and derivative financial instruments	39
(b)	Reclassification of unitholders' funds to debt	(11,405)
	Total unitholders' funds brought forward under AIFRS	-

(a) In accordance with AASB 139, the valuation of securities has been changed to take into account the following:

- valuation at bid price, rather than at last sale price, resulting in a decrease to asset carrying values for equities; and
- the valuation is no longer net of disposal costs.

(b) In accordance with AASB 132, unitholders' funds are classified as a liability and are no longer reported as equity for financial statement presentation purposes.

While the adoption of AIFRS has not had a material impact on the cash flow statement, payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity. Under AGAAP, these cash flows were classified as investing activities.

2 Summary of significant accounting policies (continued)

(t) New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2006 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the consolidated entity) and interpretations is set below:

AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB1023 & AASB 1038]

AASB 2005-4 Amendments to Australian Accounting Standards [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038] (will require the consolidated entity to disclose the basis for meeting the criteria for designation of its financial instruments as at fair value through profit or loss)

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. AASB 2005-4 is applicable to annual reporting periods beginning on or after 1 January 2006. The consolidated entity has not adopted these standards early. Application of these standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the consolidated entity's financial instruments.

(u) Rounding of amounts

The consolidated entity is an entity of the kind referred to in Class Order 98/0100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order, unless otherwise indicated.

3 Interest income

	Consolidated Year ended					
		30 June 2006			30 June 2005	
	Average balance $'000	**Interest $'000**	**Average rate %**	Average balance $'000	Interest $'000	Average rate %
Cash and deposits - domestic	**2,135**	**67**	**3.13**	1,071	57	5.32
		67			57	

	Parent Year ended					
		30 June 2006			30 June 2005	
	Average balance $'000	**Interest $'000**	**Average rate %**	Average balance $'000	Interest $'000	Average rate $'000
Cash and deposits - domestic	**534**	**32**	**5.91**	350	21	6.00
		32			21	

This table shows the average balance for each of the major categories of interest-bearing assets, the amount of interest revenue and the average interest rate. The average balances are calculated using daily balances.

4 Dividend/Trust distribution income

	Consolidated Year ended		Parent Year ended	
	30 June 2006 $'000	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
Non-related managed investment schemes	**589**	280	**276**	279
	589	280	**276**	279

5 Net gains/(losses) on financial instruments held at fair value through profit or loss

	Consolidated		Parent	
Net unrealised gain/(loss) on financial instruments designated as at fair value through profit and loss				
Shares in companies listed on a prescribed stock exchange	**-**	625	**-**	625
Unlisted units in non related managed investment schemes	**(291)**	(517)	**(291)**	(227)
Other investment securities	**3**	(9)	**3**	(4)
	(288)	99	**(288)**	394

	Consolidated		Parent	
Net realised gain/(loss) on financial instruments designated as at fair value through profit and loss				
Unlisted units in non related managed investment schemes	**842**	1,086	**1,074**	673
	842	1,086	**1,074**	673
Total net gains/(losses) on financial instruments held at fair value through profit or loss	**554**	1,185	**786**	1,067

6 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the consolidated entity:

	Consolidated Year ended		Parent Year ended	
	30 June 2006 $	30 June 2005 $	**30 June 2006 $**	30 June 2005 $
(a) Assurance services				
Audit services				
Audit of financial reports	**16,422**	33,647	**16,422**	7,500
Tax Compliance Services	**-**	9,165	**-**	4,150
Compliance Plan Audit	**-**	15,496	**-**	1,875
Total remuneration for audit services	**16,422**	58,308	**16,422**	13,525

7 Net assets attributable to unitholders of the parent

Movements in number of units and net assets attributable to unitholders of the parent during the year were as follows:

As stipulated within the consolidated entity Constitution, each unit represents a right to an individual share in the consolidated entity and does not extend to a right to the underlying assets of the consolidated entity. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the consolidated entity.

	As at			
	30 June 2006 No. '000	30 June 2005 No. '000	**30 June 2006 $'000**	30 June 2005 $'000
	Liability	Equity	**Liability**	Equity
Net assets attributable to unitholders - ordinary of the parent entity				
Opening balance	**10,068**	16,274	**11,405**	17,023
Applications	**8,486**	1,126	**10,652**	1,257
Redemptions	**(9,217)**	(7,487)	**(11,446)**	(8,143)
Units issued upon reinvestment of distributions	**3**	155	**3**	162
Differences between net income and distributable income	**-**	-	**-**	1,067
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**859**	-
Closing balance	**9,340**	10,068	**11,473**	11,366

In the current period, under AIFRS, net assets attributable to unitholders is classified as a liability (classified as equity prior to the application of AASB 132). Consequently, distributions and the movement in the net assets attributable to unitholders are recognised as a financing cost in the current period's income statement.

8 Distributions to unitholders

Timing of distributions

The distributions were paid/payable as follows:

	Parent Year ended			
	30 June 2006 $'000	**30 June 2006 CPU**	30 June 2005 $'000	30 June 2005 CPU
30 September	**-**	**-**	162	1.0970
30 June	**80**	**0.8600**	3	0.0290
	80		165	

For the reasons set out in note 7 above, distributions to unitholders are recognised as finance costs in the current period. They were previously accounted for as a distribution of equity.

9 Cash and cash equivalents

	As at Consolidated		As at Parent	
	30 June 2006 $'000	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
Cash at bank	**518**	299	**518**	190
Cash management trusts	**-**	87	**-**	87
	518	386	**518**	277

10 Financial assets held at fair value through profit or loss

	As at Consolidated		As at Parent	
	30 June 2006 Fair value $'000	30 June 2005 Fair value $'000	**30 June 2006 Fair value $'000**	30 June 2005 Fair value $'000
Designated at fair value through profit or loss				
Shares in companies listed on a prescribed domestic stock exchange	**6,350**	8,110	**6,350**	4,027
Non-related managed investment schemes	**4,442**	3,062	**4,442**	7,090
Total designated at fair value through profit or loss	**10,792**	11,172	**10,792**	11,117
Total financial assets held at fair value through profit or loss	**10,792**	**11,172**	**10,792**	**11,117**

An overview of the currency exposure relating to financial assets held at fair value through profit or loss is included in note 16(b).

11 Segment information

The consolidated entity is organised into one main segment which operates solely in the business of investment management within Australia.

Geographical exposure

	As at Consolidated			
	30 June 2006		30 June 2005	
	Total assets $'000	**Percentage of total assets %**	Total assets $'000	Percentage of total assets %
Country				
Europe	**-**	**-**	35	-
Australia	**12,930**	**100.0**	11,730	100.0
Total	**12,930**	**100.0**	11,765	100.0

11 Segment information (continued)

	As at Parent			
	30 June 2006		30 June 2005	
	Total assets $'000	**Percentage of total assets %**	Total assets $'000	Percentage of total assets %
Country				
Europe	**-**	**-**	35	-
Australia	**12,930**	**100.0**	11,551	100.0
Total	**12,930**	**100.0**	11,586	100.0

The disclosures have been prepared on the basis of the consolidated entity direct investments and not on a look-through basis for investments held indirectly through unit trusts.

The investments are classified on the balance sheet as at fair value through profit or loss.

12 Receivables

	As at Consolidated		As at Parent	
	30 June 2006 $'000	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
Unsettled Sales	**1,300**	-	**1,300**	-
Accrued income - distributions	**285**	188	**285**	188
Accrued income - dividends	**29**	-	**29**	-
GST receivable	**6**	19	**6**	5
	1,620	207	**1,620**	193

13 Consolidated entities

Parent entity

	Ownership interest	
	30 June 2006	**30 June 2005**
Significant subsidiaries		
GEC Eurogrowth Fund	**- %**	**96.43%**

14 Disposal of subsidiaries

(a) On 20 December 2005, the Hyperion Overseas Equity Fund disposed of its entire investment, resulting in a loss of controlling interest in the units of the GEC Eurogrowth Fund.

Effect of disposal

The disposal had the following effect on the consolidated entity's assets and liabilities.

	Fair value $'000
Disposee's net assets at 20 December 2005	
Cash acquired	**(4,326)**
Other assets	**(8)**
Sundry creditors and accruals	**29**
Minority interest	**143**
Consideration received	**4,162**
Net cash outflow	**-**

15 Payables

	As at Consolidated		**As at Parent**	
	30 June 2006 $'000	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
Trade payables	**1,328**	177	**1,328**	177
Accrued expenses	**49**	123	**49**	41
	1,377	300	**1,377**	218

16 Financial risk management

The consolidated entity is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the consolidated entity to manage these risks are discussed below.

(a) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract. Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity.

There were no significant concentrations of credit risk to counterparties at 30 June 2006 or 30 June 2005.

16 Financial risk management (continued)

(b) Foreign exchange risk

The foreign exchange risk disclosures have been prepared on the basis of the consolidated entity's direct investment and not on a look-through basis for investments held indirectly through unit trusts. Consequently the disclosure of currency risk in the note may not represent the true currency risk profile of the consolidated entity where the consolidated entity has significant investments in feeder trusts which also have exposure to the currency markets.

Consolidated 30 June 2006	**Euro A$'000**	**British Pounds A$'000**	**Other currencies A$'000**	**Total A$'000**
Total foreign currency exposure				
Cash and cash equivalents	6	1	-	7
Total assets	6	1	-	7

Parent 30 June 2006	**Euro A$'000**	**British Pounds A$'000**	**Other currencies A$'000**	**Total A$'000**
Total foreign currency exposure				
Cash and cash equivalents	6	1	-	7
Total assets	6	1	-	7

Consolidated 30 June 2005	**Euro A$'000**	**British Pounds A$'000**	**Other currencies A$'000**	**Total A$'000**
Total foreign currency exposure				
Cash and cash equivalents	19	1	14	34
Total assets	19	1	14	34

Parent 30 June 2005	**Euro A$'000**	**British Pounds A$'000**	**Other currencies A$'000**	**Total A$'000**
Total foreign currency exposure				
Cash and cash equivalents	19	1	14	34
Total assets	19	1	14	34

(c) Interest rate risk

There is no significant direct interest rate risk in this consolidated entity.

(d) Market price risk

Market price risk is the risk that the value of the Scheme's investment portfolio will fluctuate as a result of changes in market prices. This risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

16 Financial risk management (continued)

(e) Liquidity and cash flow risk

Liquidity risk is the risk that the consolidated entity will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate. The risk management guidelines adopted are designed to minimise liquidity and cash flow risk through:

- ensuring that there is no significant exposure to illiquid or thinly traded financial instruments, and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

(f) Net fair values of financial assets and financial liabilities

All financial assets and financial liabilities included in the balance sheet at 30 June 2006 are carried at fair value.

17 Related parties

Responsible entity

The responsible entity of Hyperion Overseas Equity Fund is WHTM Capital Management Limited (the Responsible Entity).

Hyperion Asset Management Limited is the investment manager of the Scheme.

Wilson HTM Investment Group Limited is the ultimate holding company of WHTM Capital Management Limited and has a substantial financial interest in Hyperion Asset Management Limited.

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of WHTM Capital Management Limited at any time during the financial year as follows:

Mr A Ihlenfeldt (Appointed 8 October 2004)
Mr N Schafer (Appointed 8 October 2004, Resigned 2 January 2006)
Mr I Harrison (Appointed 8 October 2004)
Mr B Usasz (Appointed 8 October 2004)
Mr G Lowrey (Appointed 8 March 2006)

Manager's fees and other transactions

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the consolidated entity and the responsible entity were as follows:

	As at Consolidated		**As at Parent**	
	30 June 2006 $	30 June 2005 $	**30 June 2006 $**	30 June 2005 $
Fees for the year paid by the Scheme	**105,964**	216,356	**70,789**	83,458
Aggregate amounts payable to responsible entity / manager at reporting date	**19,319**	41,103	**19,319**	33,552

* Where the consolidated entity invests into other schemes managed by the responsible entity, the responsible entity's fee is calculated after rebating fees charged in the underlying schemes.

17 Related parties (continued)

Related party schemes' unitholdings

Parties related to the consolidated entity (including WHTM Capital Management Limited, its related parties and other schemes managed by WHTM Capital Management Limited), held units in the consolidated entity as follows:

2006 **Consolidated**

Unitholder	**Number of units held** (Units)	**Interest held** (%)	**Number of units acquired** (Units)	**Number of units disposed** (Units)	**Distributions paid/payable by the consolidated entity** ($)
Hyperion Managed Fund	1,012,434	10.84	403,798	431,145	8,707
Hyperion Monthly Income Fund	-	-	17	67,217	-
GEC Global Fund (formerly known as Wilson HTM Overseas Share Fund)	-	-	15,958	8,262,558	-

2006 **Parent**

Unitholder	**Number of units held** (Units)	**Interest held** (%)	**Number of units acquired** (Units)	**Number of units disposed** (Units)	**Distributions paid/payable by the consolidated entity** ($)
Hyperion Managed Fund	1,012,434	10.84	403,798	431,145	8,707
Hyperion Monthly Income Fund	-	-	17	67,217	-
GEC Global Fund (formerly known as Wilson HTM Overseas Share Fund)	-	-	15,958	8,262,558	-

2005 **Consolidated**

Unitholder	**Number of units held** (Units)	**Interest held** (%)	**Number of units acquired** (Units)	**Number of units disposed** (Units)	**Distributions paid/payable by the consolidated entity** ($)
Hyperion Managed Fund	1,039,781	10.33	285,646	755,311	14,617
Hyperion Monthly Income Fund	67,200	0.67	34,881	10,496	486
GEC Global Fund (formerly known as Wilson HTM Overseas Share Fund)	8,246,600	81.91	199,894	6,527,434	146,952

17 Related parties (continued)

2005 — **Parent**

Unitholder	**Number of units held** (Units)	**Interest held** (%)	**Number of units acquired** (Units)	**Number of units disposed** (Units)	**Distributions paid/payable by the consolidated entity** ($)
Hyperion Managed Fund	1,039,781	10.33	285,646	755,311	14,617
Hyperion Monthly Income Fund	67,200	0.67	34,881	10,496	486
GEC Global Fund (formerly known as Wilson HTM Overseas Share Fund)	8,246,600	81.91	199,894	6,527,434	146,952

Key management personnel compensation

Key management personnel are paid by Wilson HTM Services Pty Limited. Payments made from the Scheme to Wilson HTM Services Pty Limited do not include any amounts directly attributable to key management personnel remuneration.

Key management personnel loan disclosures

The consolidated entity has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the consolidated entity

From time to time directors of Hyperion Overseas Equity Fund, or their director related entities, may invest in or withdraw from the consolidated entity. These investments or withdrawals are on the same terms and conditions as those entered into by other consolidated entity investors and are trivial in nature.

Apart from those details disclosed in this note, no director has entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving director's interests subsisting at year end.

18 Reconciliation of net profit/(loss) to net cash inflow/(outflow) from operating activities

	As at Consolidated		As at Parent	
	30 June 2006 $'000	30 June 2005 $'000	**30 June 2006 $'000**	30 June 2005 $'000
(a) Reconciliation of net profit/(loss) to net cash inflow/(outflow) from operating activities				
Net profit/(loss)	**-**	1,158	-	1,232
Increase/(decrease) in net assets attributable to unitholders	**925**	-	859	-
Proceeds from sale of financial instruments held at fair value through profit or loss (including net realised gains/(losses))	**15,764**	12,102	11,759	11,958
Purchase of financial instruments held at fair value through profit or loss and derivative financial instruments	**(11,887)**	(12,212)	(11,886)	(5,706)
Net (gains)/losses on financial instruments held at fair value through profit and loss	**(552)**	(1,185)	(784)	(1,067)
Distributions reinvested	**(25)**	(22)	(25)	(22)
Distribution to unitholders	**80**	-	80	-
Net change in accrued income and prepaid expenses	**(120)**	(153)	(125)	(159)
Net change in accounts payable and accrued liabilities	**(58)**	70	6	21
Net cash inflow/(outflow) from operating activities	**4,127**	(242)	**(116)**	6,257
(b) Components of cash and cash equivalents				
Cash as at the end of the financial year as shown in the cash flow statements is reconciled to the balance sheets as follows:				
Cash and cash equivalents	**518**	386	518	277
	-	-	-	-
	518	386	**518**	277
(c) Non-cash financing and investing activities				
During the year, the following dividends/distributions received by the Fund were reinvested	**25**	22	25	22
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**3**	162	3	162
	28	184	**28**	184

As described in note2((k)), non-distributable income is included in net assets attributable to unitholders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable (i.e. taxable).

19 Events occurring after the balance date

No significant events have occurred since balance date which would impact on the financial position of the consolidated entity disclosed in the balance sheets as at 30 June 2006 or on the results and cash flows of the consolidated entity for the year ended on that date.

20 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2006 and 30 June 2005.

Directors' declaration

In the opinion of the directors of the responsible entity:

(a) the financial statements and notes set out on pages 7 to 30 are in accordance with the *Corporations Act 2001*, including

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2006 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date.

(b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*

This declaration is made in accordance with a resolution of the directors.

Mr A Ihlenfeldt
Director

Brisbane

17 November 2006

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Independent audit report to the members of Hyperion Overseas Equity Fund

Audit opinion

In our opinion:

1. the financial report of Hyperion Overseas Equity Fund:

   - gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Hyperion Overseas Equity Fund and the Hyperion Overseas Equity Fund Group (defined below) as at 30 June 2006, and of their performance for the year ended on that date, and
   - is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*;

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statements, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for both Hyperion Overseas Equity Fund (registered scheme) and the Hyperion Overseas Equity Fund Group (the consolidated entity), for the year ended 30 June 2006. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the registered scheme are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the registered scheme. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit

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We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the registered scheme's and the consolidated entity's financial position, and of their performance as represented by the results of their operations, changes in equity and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001.*

PricewaterhouseCoopers.

PricewaterhouseCoopers

Allman

Timothy J Allman
Partner

Brisbane
17 November 2006

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