

December 2008

## Quarterly Report

Hyperion Australian Growth Companies Fund  
Hyperion Small Growth Companies Fund  
Hyperion Overseas Equity Fund

# About Hyperion

Hyperion is a high conviction growth style manager that specialises in identifying and investing in quality Australian equities. Our proprietary investment process produces a relatively concentrated portfolio of high quality companies with predictable earnings and superior growth potential.

There are four main factors that differentiate us from other fund managers:

- 🕒 **Process** – We buy the highest quality growth businesses at an attractive valuation based on a thoroughly researched long-term view. We exploit other market participants' focus on the short-term, market sentiment and indices as we think and act more like business owners rather than stock pickers;
- 👥 **People** – The core investment team has been together since 1997 and it remains stable, experienced and well resourced to handle further growth. The same team that developed our proprietary investment process are shareholders in the company as well as having substantial personal investments in our products. The result is that clients can feel confident our objectives are fully aligned with theirs; and
- 📈 **Product** – Our process produces high conviction benchmark insensitive portfolios with excellent after tax efficiency. We have an established long-term track record of outperformance and are well positioned for both the peaks and troughs of an equity investment cycle.

# How to Invest

## Direct Access

Direct Investors with at least \$50,000 of investable cash may invest directly via the Hyperion Australian Equity Solutions and the Hyperion Wholesale Managed Funds (Hyperion Funds) Product Disclosure Statements (PDS). For new clients, investment into these funds can only be made by completing an application form attached to the relevant PDS.

**Copies of the Product Disclosure Statements are available online at [www.hyperionam.com.au](http://www.hyperionam.com.au) or by calling our Client Services team on telephone: 1300 550 293**

## External Master Trusts

The Hyperion Funds are available via master trusts, wrap accounts (including BT Wrap, Macquarie Wrap, Navigator – Premium Choice, Netwealth and Oasis) 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 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.

# Performance Review

	<b>Hyperion Australian Growth Companies Fund</b>	<b>Hyperion Small Growth Companies Fund</b>	<b>Hyperion Overseas Equity Fund</b>
<b>Fund Size</b>	<b>\$36,894,690</b>	<b>\$3,203,869</b>	<b>\$5,666,197</b>
<b>3 months</b>	<b>-17.8%</b>	<b>-17.9%</b>	<b>-10.8%</b>
Benchmark*	-18.5%	-29.2%	-11.3%
<b>2008</b>	<b>-39.4%</b>	<b>-41.5%</b>	<b>-24.4%</b>
Benchmark*	-38.9%	-53.2%	-17.5%
<b>2007</b>	<b>18.9%</b>	<b>19.8%</b>	<b>-2.6%</b>
Benchmark*	16.2%	17.1%	-2.6%
<b>2006</b>	<b>29.0%</b>	<b>37.9%</b>	<b>5.9%</b>
Benchmark*	24.5%	34.2%	11.5%
<b>2005</b>	<b>28.0%</b>	<b>14.7%</b>	<b>10.0%</b>
Benchmark*	22.5%	19.6%	16.8%
	<b>8.7%</b>	<b>11.8%</b>	<b>1.9%</b>
Benchmark*	8.9%	6.2%	2.4%

\* 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.

All performance numbers represent past returns and are not necessarily an indicator of future returns.

All figures are in Australian dollar terms.

The '3 months' performance numbers are for the three months to 31 December 2008. For the years 2008, 2007, 2006 and 2005, performance numbers are for the 12-month period to 31 December of the year stated.

\*\* Hyperion commenced management of these Funds in September 2002. Performance is annualised.

# Hyperion Australian Growth Companies Fund

APIR BNT0003AU ARSN 089 548 443

## Investment Activity

- ⊗ During the quarter under review we increased our exposure to AMP, Commonwealth Bank and JB Hi-Fi.
- ⊗ We removed Aristocrat Leisure, Cabcharge Australia and Nick Scali from the portfolio and reduced our exposure to Woolworths, Cochlear and Seek during the quarter. We also sold Queensland Gas as part of a takeover from a British company – B G Group.
- ⊗ The portfolio's largest contributors to active performance for the quarter were Wotif.com, Brambles and Queensland Gas. The major detractors from the portfolio's active performance were BHP Billiton, Seek and Billabong International.

## Distributions

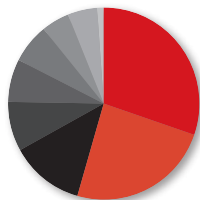
Income is distributed quarterly. The December quarter distribution was 3.13 cents per unit.

## Benchmark

S&P/ASX 300 Accumulation Index

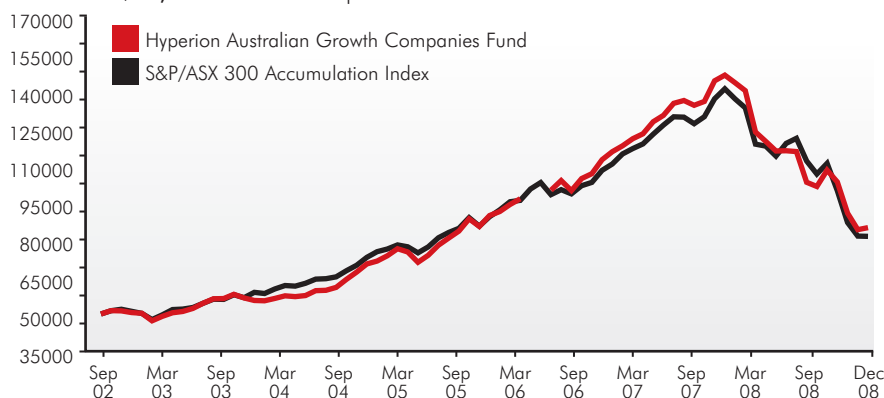
## Asset Allocation

As at 31 December 2008



Financials	30.3%
Consumer Discretionary	24.3%
Industrials	12.6%
Healthcare	8.2%
Consumer Staples	7.1%
Materials	6.7%
Information Technology	4.9%
Energy	4.8%
Cash and Equivalent	1.1%

## Growth of \$50,000 Invested at September 2002 After Fees



# Hyperion Small Growth Companies Fund

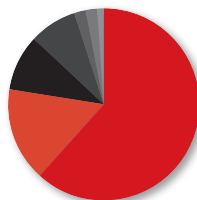
APIR BNT0101AU ARSN 089 548 943

## Investment Activity

- Ⓞ During the December quarter we added Tox Free Solutions Limited (an integrated waste management and environmental service provider in Australia) to the portfolio and increased our exposure to Sky Network TV.
- Ⓞ We removed Maestro Corp, Cabcharge Australia and Vision Group from the portfolio and reduced our exposure to Wotif.com, The Reject Shop and Count Financial during the quarter under review.
- Ⓞ The Fund's relative performance compared to the Benchmark was extremely strong during the quarter. Companies that posted the strongest contribution to active performance included Wotif.com, The Reject Shop and IRESS. The main detractors from active performance during the quarter were Runge, Seek and Tox Free Solutions.

## Asset Allocation

As at 31 December 2008



Consumer Discretionary	61.9%
Information Technology	15.8%
Industrials	9.4%
Financials	8.0%
Cash and Equivalent	2.1%
Healthcare	1.8%
Telecommunications	1.0%

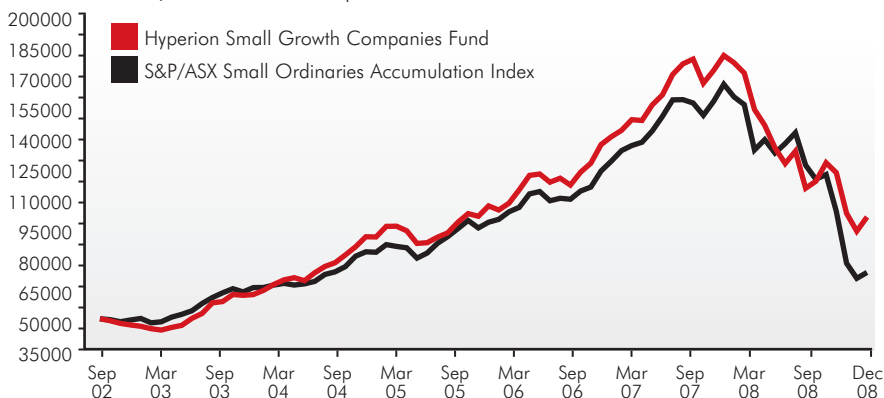
## Distributions

Income is distributed quarterly. The December quarter distribution was 2.98 cents per unit.

## Benchmark

S&P/ASX Small Ordinaries Accumulation Index

## Growth of \$50,000 Invested at September 2002 After Fees



# Hyperion Overseas Equity Fund

APIR BNT0007AU ARSN 089 548 041

## Investment Activity

- Ⓞ During the quarter under review the portfolio's exposure to North America, Europe, Asia and Japan was increased, whilst we reduced the exposure to the Emerging Markets and the United Kingdom.
- Ⓞ The global environment has shown no signs of improvement over the quarter. Central Banks and Governments globally, continue their attempts to address issues of confidence within the credit markets and slowing rates of economic growth. Notwithstanding this poor investment climate, the portfolio outperformed its Benchmark as a result of its focus on quality assets.

## Distributions

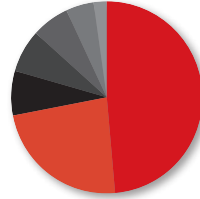
Income is distributed quarterly. There was no distribution for the December quarter.

## Benchmark

MSCI World Index ex Australia in Australian dollars.

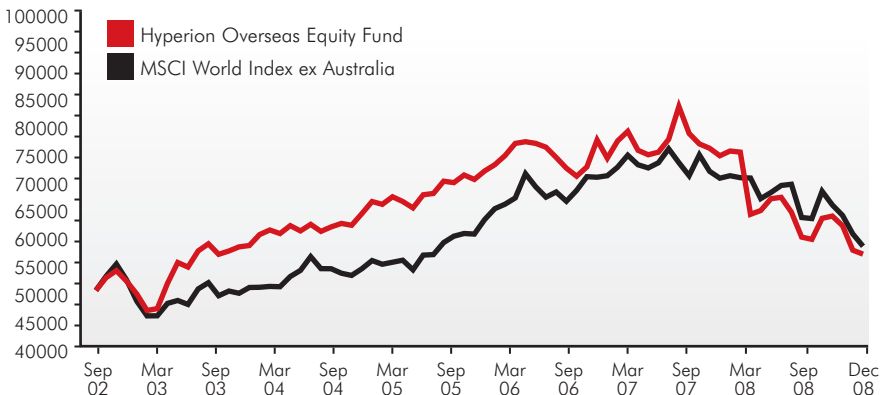
## Asset Allocation

As at 31 December 2008



North America	48.7%
Europe	23.5%
Cash and Equivalent	7.4%
Other	7.2%
Japan	6.5%
United Kingdom	4.7%
Asia Ex Japan	2.0%

## Growth of \$50,000 Invested at September 2002 After Fees



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