

June 2007

## Quarterly Report

Hyperion Australian Growth Companies Fund  
Hyperion Small Growth Companies Fund  
Hyperion Managed 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 investment process produces a relatively concentrated portfolio of predictable, high calibre companies with superior growth potential. We conduct our own proprietary research and focus on a smaller number of companies with a quality business model and stable management.

**Our objective is to deliver investment out-performance for our clients across a full equity market cycle**

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

- 🕒 **Process** – we have developed a disciplined and logical portfolio construction process that emphasises quality and taking a long-term view. As a result our clients have less cause for concern during the inevitable peaks and troughs of the equities market;
- 🕒 **Performance** – It is our aim to continually achieve a margin over the risk-free rate, rewarding our clients for investing in non risk-free assets;
- 🕒 **Boutique Size** – by definition, a commitment to concentrated portfolios creates a cap on Hyperion’s total funds under management and hence the number of clients. This highlights Hyperion’s dedication to achieving investment returns for clients and providing outstanding service; and
- 🕒 **People** – the investment team has been together for almost ten years and as shareholders in the business our clients know the people that delivered the returns in the past are the people making the decisions in the future. Reassuringly, there has been no staff turnover in the investment team since inception.

Hyperion was incorporated in 1997. The executives are substantial equity partners in the business with

the remainder owned by Pinnacle Investment Management Limited. This combination makes for a nimble, independent fund manager backed by significant resources. In addition, our investment team has substantial capital invested in the products, so, not only are they here for the long-term, but our clients are assured the investment team’s goals are aligned with their own goals.

## 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 on-line at [www.hyperionam.com.au](http://www.hyperionam.com.au) or by calling our Client Services team on tel: 1300 550 293**

### External Master Trusts

The Hyperion Funds are available via master trusts, wrap accounts (including Asgard, Australian Executor Trustees, BT Wrap, Macquarie Wrap, Navigator – Premium Choice, Netwealth, Symetry and Synergy) 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

	Hyperion Australian Growth Companies Fund	Hyperion Small Growth Companies Fund	Hyperion Managed Fund	Hyperion Overseas Equity Fund
<b>Fund Size</b>	<b>\$32,190,928</b>	<b>\$6,403,452</b>	<b>\$6,980,411</b>	<b>\$12,522,709</b>
<b>3 months</b>	<b>6.7%</b>	<b>13.0%</b>	<b>4.6%</b>	<b>11.7%</b>
Benchmark*	5.6%	10.8%	2.3%	1.3%
<b>2007</b>	<b>31.1%</b>	<b>47.3%</b>	<b>21.8%</b>	<b>12.4%</b>
Benchmark*	29.2%	44.4%	13.1%	7.8%
<b>2006</b>	<b>33.5%</b>	<b>32.2%</b>	<b>18.2%</b>	<b>9.6%</b>
Benchmark*	24.0%	25.5%	13.8%	19.9%
<b>2005</b>	<b>30.8%</b>	<b>24.1%</b>	<b>13.8%</b>	<b>9.0%</b>
Benchmark*	26.0%	27.4%	12.5%	0.7%
<b>2004</b>	<b>13.7%</b>	<b>44.7%</b>	<b>12.8%</b>	<b>13.3%</b>
Benchmark*	21.7%	26.8%	16.1%	18.0%
<b>**Since September 2002</b>	<b>23.3%</b>	<b>30.3%</b>	<b>15.0%</b>	<b>11.1%</b>
Benchmark*	22.2%	27.4%	12.8%	8.3%

\*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 30 June 2007. For the years 2007, 2006, 2005 and 2004, performance numbers are for the 12-month period to 30 June 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 June quarter under review we added AMP and Platinum Asset Management to the portfolio and increased investment exposure to Westpac, Brambles and ANZ Bank.
- Ⓞ We reduced the portfolio's exposure to Rio Tinto, Cabcharge and JB Hi-Fi during the quarter.
- Ⓞ During the quarter the portfolio's largest contributors to active performance were the overweight holdings in JB Hi-Fi, Queensland Gas and Wotif.com. The major detractors from the portfolio's performance were the overweight holdings of Brambles, Aristocrat Leisure and Cochlear.

## Distributions

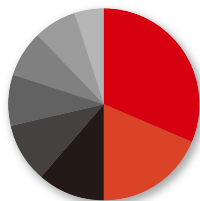
Income is distributed quarterly. The June quarter distribution was 10.72 cents per unit.

## Benchmark

S&P/ASX 300 Accumulation Index.

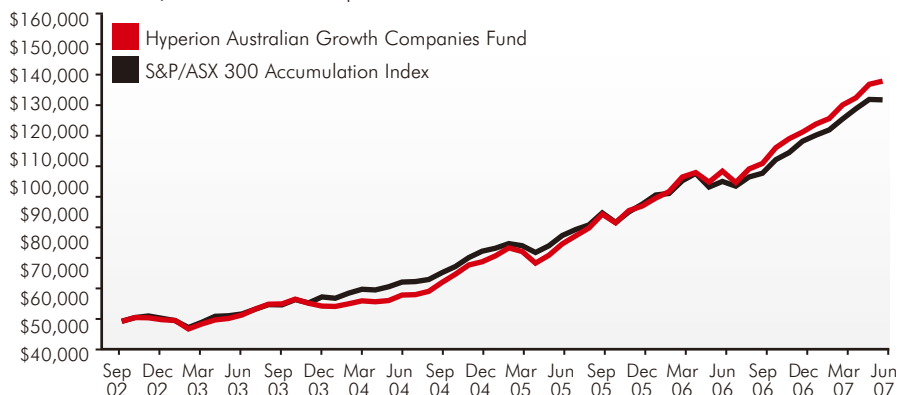
## Asset Allocation

As at 30 June 2007



Financials	31.4%
Consumer Discretionary	18.7%
Industrials	11.3%
Materials	10.2%
Healthcare	8.6%
Cash and Equivalent	7.6%
Energy	7.3%
Other	4.9%

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



# Hyperion Small Growth Companies Fund

APIR BNT0101AU ARSN 089 548 943

## Investment Activity

- ☉ Investments in Invocare and Realestate.com were added to the portfolio during the June quarter and we increased our exposure to Iress, Technology One and Seek.
- ☉ We reduced our investments in Queensland Gas, JB Hi-Fi and Adelaide Bank during the quarter under review.
- ☉ The strongest contributors to active performance in the quarter were Queensland Gas, JB Hi-Fi and Wotif.com while Blackmores, Vision Group and Mortgage Choice detracted from the portfolio's active performance during the quarter under review.

## Distributions

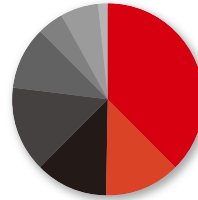
Income is distributed quarterly. The June quarter distribution was 8.90 cents per unit.

## Benchmark

S&P/ASX Small Ordinaries Accumulation Index.

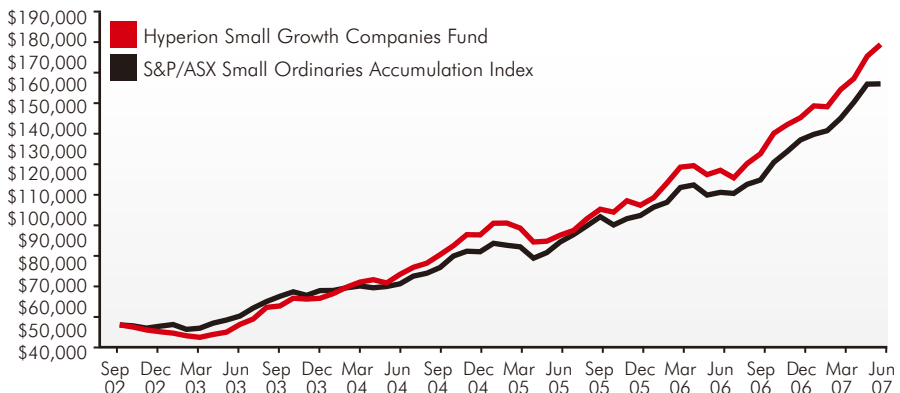
## Asset Allocation

As at 30 June 2007



Consumer Discretionary	37.5%
Industrials	14.3%
Financials	12.8%
Healthcare	12.4%
Information Technology	10.7%
Cash and Equivalent	6.6%
Energy	4.3%
Other	1.4%

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



# Hyperion Managed Fund

APIR BNT0002AU ARSN 089 548 201

## Investment Activity

- During the June quarter the portfolio's exposure in Australian Equities increased as the sector continued to out-perform. The exposure to International Equities, Australian Fixed Interest and Property was reduced.
- The overall fund performed strongly as its underlying exposure in each sector out-performed its relative benchmarks. The Australian Equity and Overseas Equity sectors were the main contributors.

## Distributions

Income is distributed quarterly. The June quarter distribution was 46.01 cents per unit.

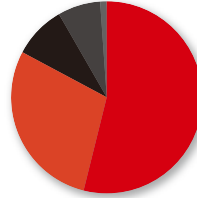
## Benchmark

Intech Moderate Survey

*All returns for the Average Manager, after fees and tax.*

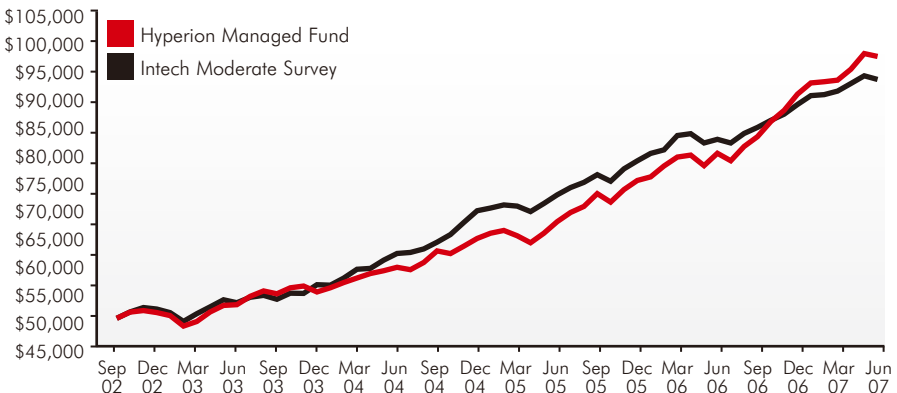
## Asset Allocation

As at 30 June 2007



Australian Equities	53.9%
Property	28.9%
International Equities	9.0%
Australian Fixed Interest	7.1%
Cash and Equivalent	1.1%

## 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 maintained its exposure to North America and increased its cash exposure slightly. The exposure to Europe and Asia remained relatively unchanged.
- The overall performance of the portfolio was strong during the quarter

## Distributions

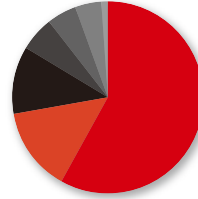
Income is distributed quarterly. There was no distribution for the June quarter.

## Benchmark

MSCI World Index ex Australia in Australian dollars.

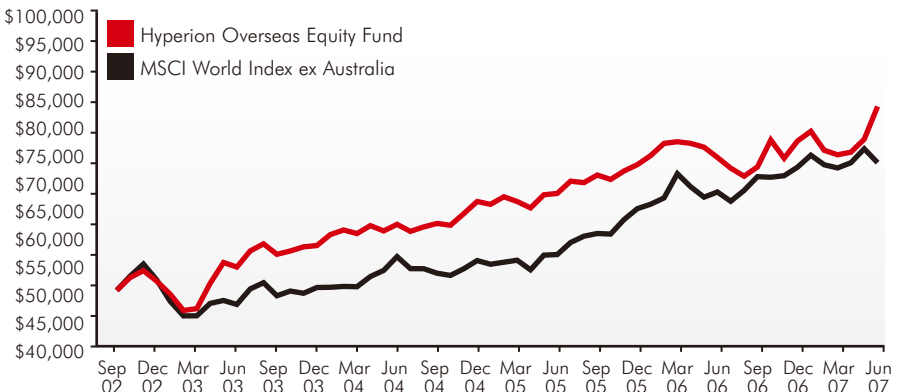
## Asset Allocation

As at 30 June 2007



North America	58.1%
Cash and Equivalent	14.3%
Europe	11.4%
Other	5.7%
United Kingdom	5.1%
Japan	4.3%
Asia Ex Japan	1.1%

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



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