



December 2006

Quarterly Report

Hyperion Australian Growth Companies Fund
Hyperion Small Growth Companies Fund
Hyperion Managed Fund

Hyperion Overseas Equity Fund
Hyperion Listed Property Fund
Hyperion Bond Fund

Performance Review

Fund Name	Fund Size	3 Months
Hyperion Australian Growth Companies Fund	\$26,133,106	10.5%
Benchmark		11.1%
Hyperion Small Growth Companies Fund	\$5,848,442	12.8%
Benchmark		15.6%
Hyperion Managed Fund	\$9,614,172	9.2%
Benchmark		4.9%
Hyperion Overseas Equity Fund	\$12,137,139	6.4%
Benchmark		2.4%
Hyperion Listed Property Fund	\$8,330,352	13.5%
Benchmark		14.0%
Hyperion Bond Fund	\$5,343,800	0.1%
Benchmark		0.7%

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.

2006	2005	2004	2003	Since September 2002
29.0%	28.0%	28.7%	9.0%	22.2%
24.5%	22.5%	27.9%	15.0%	21.5%
37.9%	14.7%	45.9%	31.9%	28.0%
34.2%	19.6%	26.6%	32.3%	25.9%
20.7%	16.2%	17.5%	7.2%	14.9%
12.9%	13.4%	14.7%	7.5%	N/A
5.9%	10.0%	12.8%	12.4%	10.4%
11.5%	16.8%	9.6%	-2.6%	9.0%
30.2%	11.3%	31.5%	8.4%	14.1%*
34.1%	12.7%	32.2%	8.8%	15.0%
2.0%	5.1%	4.3%	2.6%	3.4%
3.7%	5.1%	6.1%	4.9%	5.0%

The '3 months' performance numbers are for the three months to 31 December 2006. For the years 2006, 2005, 2004 and 2003, performance numbers are for the 12-month period to 31 December of the year stated. Performance stated 'Since September 2002' when Hyperion commenced management of these Funds.

*Performance numbers for Hyperion Listed Property Fund are since inception and annualised from the fund inception date (May 1998).

Hyperion Australian Growth Companies Fund

APIR BNT0003AU ARSN 089 548 443

Investment Activity

- ⊗ During the December quarter under review we increased the portfolio's investment exposure to Cochlear, Rio Tinto and Perpetual.
- ⊗ The portfolio's exposure to Woolworths, Iress and Cabcharge were reduced during the quarter.
- ⊗ During the quarter the portfolio's largest contributors to active performance were the overweight holdings in JB Hi-Fi and Babcock & Brown, along with the underweight holding of BHP Billiton. The major detractor from the portfolio's performance was the overweight holding of Brambles.

Distributions

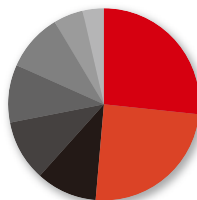
Income is distributed quarterly. The December quarter distribution was 1.86cents per unit.

Benchmark

S&P/ASX 300 Accumulation Index.

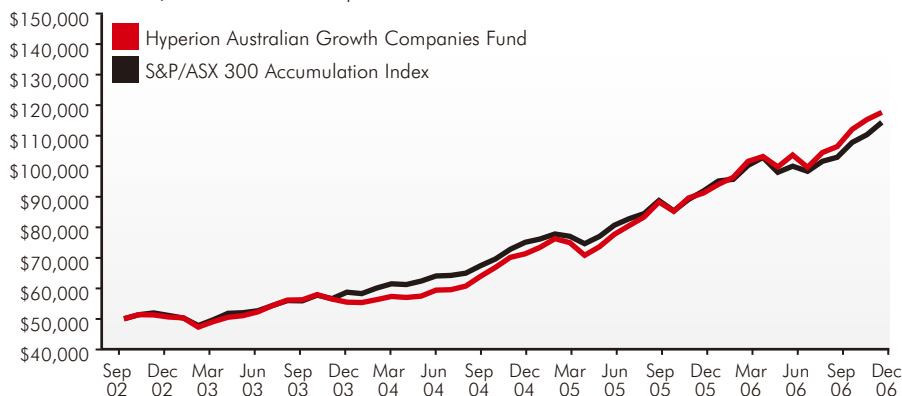
Asset Allocation

As at 31 December 2006



Financials	26.8%
Consumer Discretionary	24.6%
Healthcare	10.3%
Materials	10.3%
Cash and Equivalent	9.9%
Industrials	9.5%
Other	5.1%
Consumer Staples	3.5%

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 increased the portfolio's investments in Select Harvest, Queensland Gas and Vision Group.
- ⌚ We sold our entire investments in Babcock & Brown Environmental Investments during the quarter and reduced our exposure to Iress, Cabcharge and SAI Global.
- ⌚ The strongest contributors to active performance in the quarter were Queensland Gas, JB Hi-Fi and Blackmores, while Adelaide Bank, Mortgage Choice and Sydney Attractions Group detracted from the portfolio's active performance during the quarter under review.

Distributions

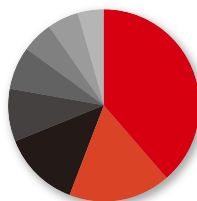
Income is distributed quarterly. The December quarter distribution was 0.48cents per unit.

Benchmark

S&P/ASX Small Ordinaries Accumulation Index.

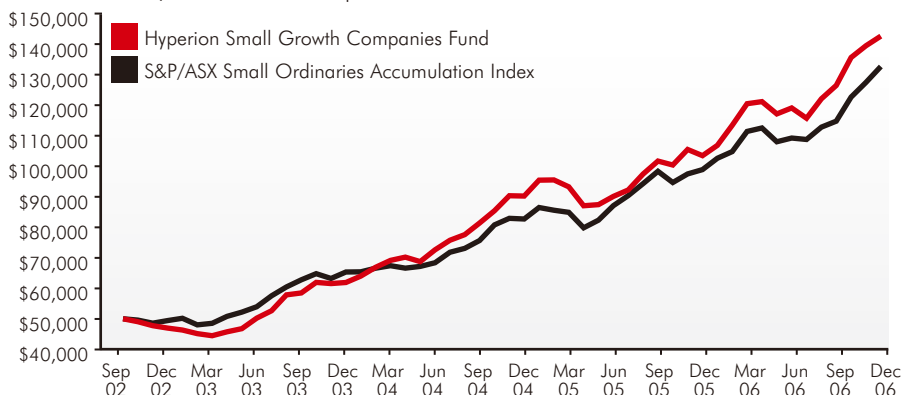
Asset Allocation

As at 31 December 2006



Consumer Discretionary	38.8%
Healthcare	17.1%
Financials	13.1%
Industrials	9.0%
Information Technology	7.0%
Other	5.5%
Cash and Equivalent	5.2%
Energy	4.3%

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



Hyperion Managed Fund

APIR BNT0002AU ARSN 089 548 201

Investment Activity

- During the December quarter we increased the portfolio's weighting in the Australian Equities and Property sectors and reduced our exposure to Cash, International Equities and Australian Fixed Interest.
- The Property, International Equity and Australian Equity sectors all performed strongly during the quarter which lead to the overall portfolio's out-performance of its benchmark.

Distributions

Income is distributed quarterly. The December quarter distribution was 0.04 cents per unit.

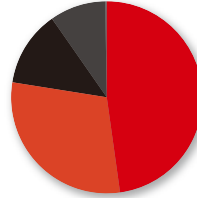
Benchmark

Intech Moderate Survey

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

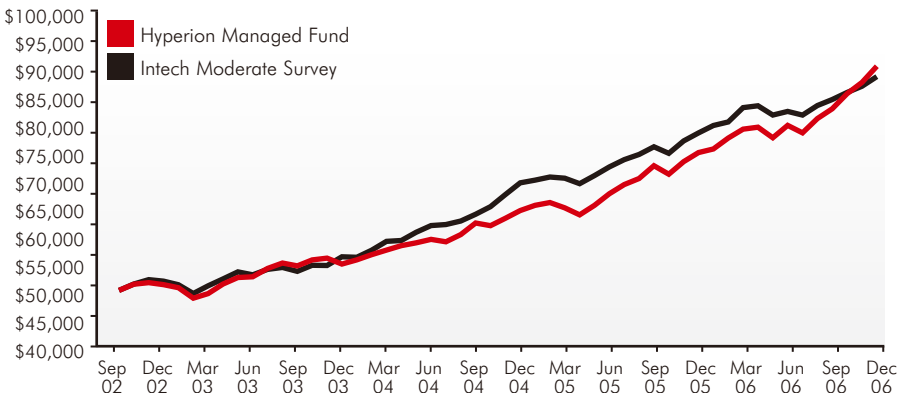
Asset Allocation

As at 31 December 2006



Australian Equities	47.8%
Property	29.8%
International Equities	12.8%
Australian Fixed Interest	9.4%
Cash and Equivalent	0.2%

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 has marginally decreased its investment exposure to all equity markets as the outlook for global growth and equity markets in general moderated slightly.
- The large cash holding is due to re-weighting within the portfolio which took place at year-end.

Distributions

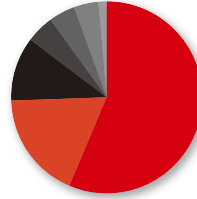
Income is distributed quarterly. There was no distribution for the December quarter.

Benchmark

MSCI World Index ex Australia in Australian dollars.

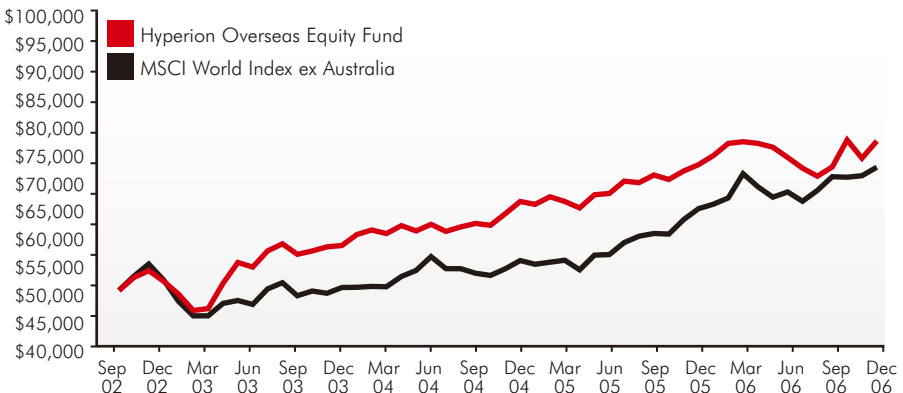
Asset Allocation

As at 31 December 2006



North America	56.5%
Cash	18.1%
Europe	10.8%
United Kingdom	4.6%
Other	4.6%
Japan	4.2%
Asia Ex Japan	1.2%

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



Hyperion Listed Property Fund

APIR WHT0100AU ARSN 089 548 130

Investment Activity

- The Fund generated another quarter of strong performance as domestic investors reinvested their distributions into the market and global investors increased their holding in the sector.
- The portfolio's exposure to the large capitalisation trusts benefited performance over the quarter due to the increased demand from global investors. The portfolio remains overweight retail stocks and underweight office stocks.

Distributions

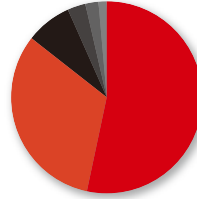
Income is distributed quarterly. There was no distribution for the December quarter.

Benchmark

S&P/ASX 300 Property Trusts Accumulation Index.

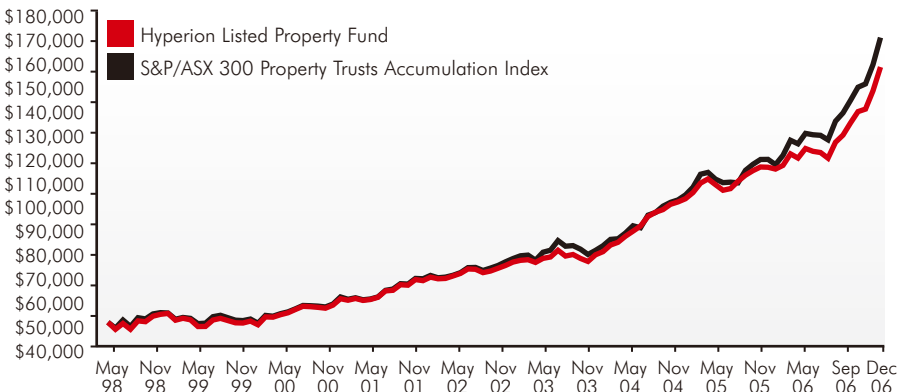
Asset Allocation

As at 31 December 2006



Retail Property	53.5%
Diversified Property	32.2%
Industrial Property	7.7%
Commercial Property	3.0%
Cash and Equivalent	2.3%
Other	1.3%

Growth of \$50,000 Invested at May 1998 After Fees



Hyperion Bond Fund

APIR BNT0005AU ARSN 089 548 998

Investment Activity

- ☉ The portfolio retains its well diversified exposure to government, semi-government, corporate, mortgage and other fixed interest securities.
- ☉ During the quarter under review, the portfolio under-performed its benchmark as real interest rates increased in all the major markets and several foreign currencies depreciated.

Distributions

Income is distributed quarterly. The December quarter distribution was 0.42 cents per unit.

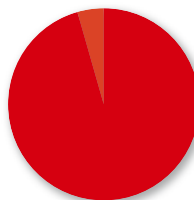
Benchmark

UBS Australia Treasury 0 to 5 Year Return Index (from 1/7/2004).

UBS Warburg Bank Bill Index (to 30/6/2004).

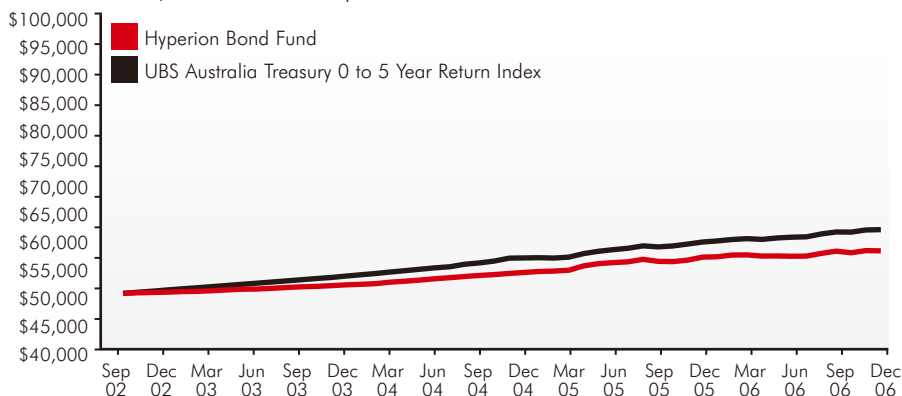
Asset Allocation

As at 31 December 2006



■ Fixed Interest	95.8%
■ Cash and Equivalent	4.2%

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



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** – of course the true test of any investment philosophy is performance. Hyperion’s clients have enjoyed upper quartile returns with our portfolios consistently delivering excess 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 means that existing clients can expect superior fund performance and outstanding service;
- 🕒 **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 excess 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’s was incorporated in 1997. The executives are substantial equity partners in the business with the remainder owned by Pinnacle Investment Management Pty Ltd. 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 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 (IPDS). 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.

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