

September 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
Hyperion Balanced Superannuation Fund

Performance Review

Fund Name	Fund Size	3 Months
Hyperion Australian Growth Companies Fund	\$22,794,409	2.7%
Benchmark		2.9%
Hyperion Small Growth Companies Fund	\$5,058,737	6.2%
Benchmark		5.1%
Hyperion Managed Fund	\$8,997,379	3.7%
Benchmark		2.5%
Hyperion Overseas Equity Fund	\$11,318,197	-2.3%
Benchmark		4.1%
Hyperion Listed Property Fund	\$6,528,372	10.2%
Benchmark		10.6%
Hyperion Bond Fund	\$4,751,102	1.6%
Benchmark		1.6%
Hyperion Balanced Superannuation Fund	\$2,803,202	3.6%
Benchmark		2.5%

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
20.6%	38.1%	13.7%	11.8%	20.7%
16.0%	31.7%	20.7%	11.8%	19.8%
24.4%	25.0%	39.3%	16.9%	26.2%
16.7%	30.0%	20.6%	25.6%	23.1%
14.1%	16.5%	14.1%	8.8%	13.4%
11.3%	16.1%	11.6%	6.6%	11.4%
2.1%	14.0%	9.0%	12.9%	9.4%
16.9%	13.4%	8.2%	-1.9%	8.9%
20.3%	14.5%	33.0%	3.9%	13.0%*
25.6%	16.8%	29.1%	6.2%	13.9%
3.3%	4.7%	4.0%	2.4%	3.6%
4.6%	5.2%	5.7%	4.9%	5.1%
12.8%	16.1%	13.4%	9.3%	12.9%
11.3%	16.1%	11.6%	6.6%	11.4%

The '3 months' performance numbers are for the three months to 30 September 2006. For the years 2006, 2005, 2004 and 2003, performance numbers are for the 12-month period to 30 September 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 September quarter we added Aristocrat Leisure to the portfolio and increased exposure to: Cochlear, ANZ Bank and Westpac.
- ⊗ We removed STW Communications, Great Southern Plantation and Orotan from the portfolio while reducing our exposure to JB Hi-Fi, Babcock & Brown and Wotif.com during the quarter.
- ⊗ The portfolio's largest contributors to active performance during the quarter were Brambles, Cabcharge and BHP Billiton. The major detractors from the portfolio performance were Babcock & Brown, Great Southern Plantations and Rio Tinto.

Distributions

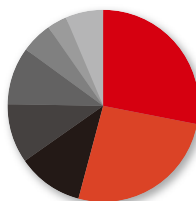
Income is distributed quarterly. The September quarter distribution was 1.09 cents per unit.

Benchmark

S&P/ASX 300 Accumulation Index.

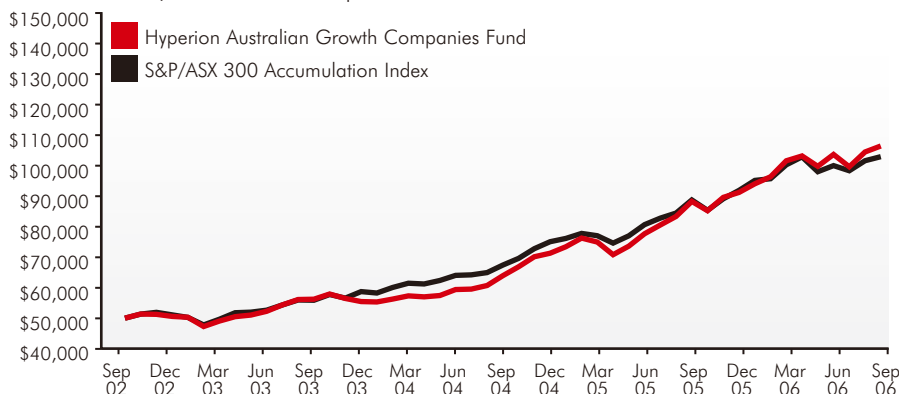
Asset Allocation

As at 30 September 2006



Financials	28.1%
Consumer Discretionary	26.2%
Industrials	11.2%
Healthcare	10.0%
Materials	9.6%
Consumer Staples	5.2%
Cash and Equivalent	3.4%
Other	6.3%

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 September quarter we increased the portfolio's investments in Queensland Gas, SAI Global and Austar.
- ⊙ We sold our entire investments in STW Communications and Great Southern Plantation during the quarter, reducing our exposure to Cabcharge, Technology One and Babcock & Brown.
- ⊙ The strongest contributors to active performance in the quarter were Cabcharge, The Reject Shop and Fantastic Holdings, while overweight positions in Vision Group, Great Southern Plantation and UnderCoverWear detracted from the performance of the portfolio.

Distributions

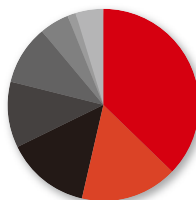
Income is distributed quarterly. The September quarter distribution was 0.87 cents per unit.

Benchmark

S&P/ASX Small Ordinaries Accumulation Index.

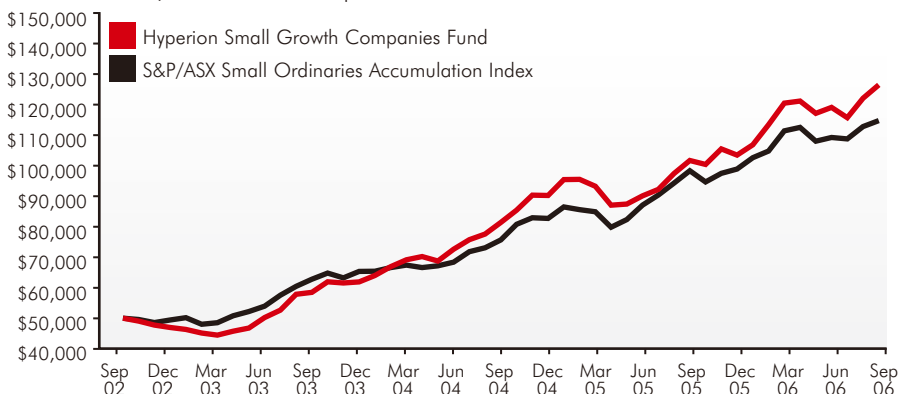
Asset Allocation

As at 30 September 2006



Consumer Discretionary	37.5%
Healthcare	16.3%
Financials	14.0%
Industrials	11.2%
Information Technology	10.0%
Energy	5.0%
Cash and Equivalent	1.4%
Other	4.6%

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



Hyperion Managed Fund

APIR BNT0002AU ARSN 089 548 201

Investment Activity

- During the September 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.

Distributions

Income is distributed quarterly. The September quarter distribution was 0.13 cents per unit.

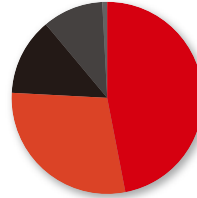
Benchmark

Intech Moderate Survey

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

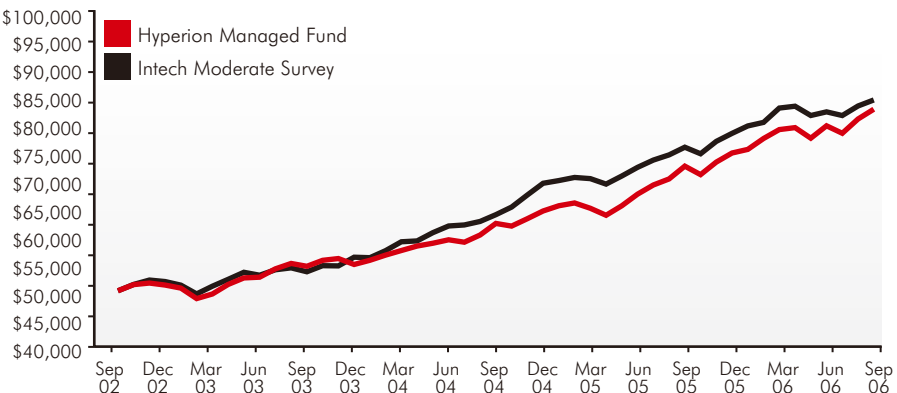
Asset Allocation

As at 30 September 2006



Australian Equities	47.1%
Property	29.0%
International Equities	13.0%
Australian Fixed Interest	10.3%
Cash and Equivalent	0.6%

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 increased its investment exposure to Japan, North America, Asia Ex Japan, the Emerging markets and the United Kingdom whilst the exposure towards Europe and Cash have been reduced.
- The portfolio's large cash holding position at the end of the June quarter has now been reduced, due to the reinvestment during this quarter.

Distributions

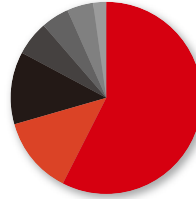
Income is distributed quarterly. The September quarter distribution was 0.01 cents per unit.

Benchmark

MSCI World Index ex Australia in Australian dollars.

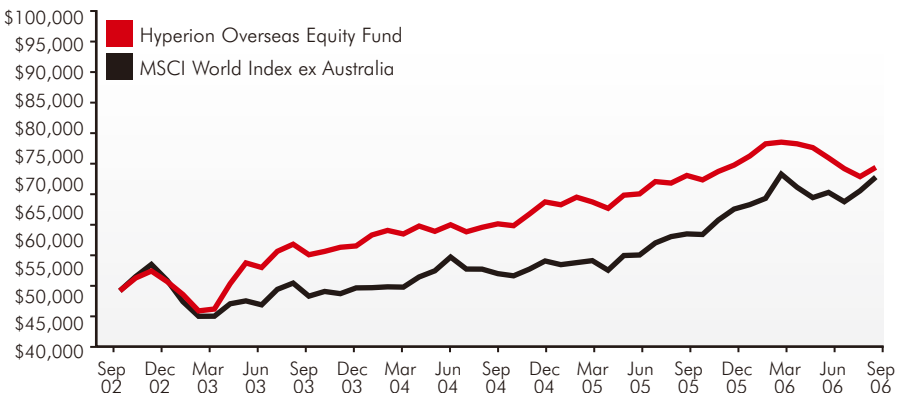
Asset Allocation

As at 30 September 2006



North America	57.5%
Cash and Equivalent	13.3%
Europe	12.0%
United Kingdom	5.9%
Japan	4.3%
Asia Ex Japan	2.1%
Other	4.9%

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 a solid positive return over the quarter, driven by the sector's "defensive" status during a volatile investment period and a solid company reporting season.
- ☉ Performance over the quarter benefited from the portfolio's exposure to the large capitalisation and retail trusts. The portfolio remains overweight retail and underweight commercial trusts.

Distributions

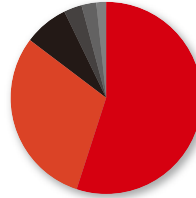
Income is distributed quarterly. The September quarter distribution was 0.16 cents per unit.

Benchmark

S&P/ASX 300 Property Trusts Accumulation Index.

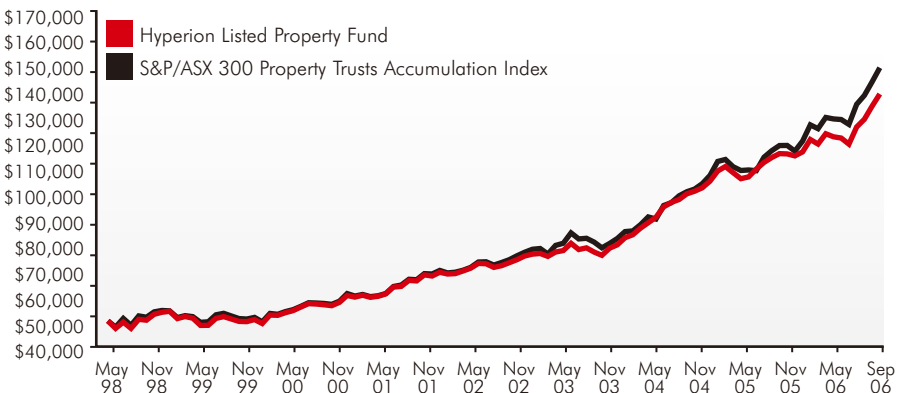
Asset Allocation

As at 30 September 2006



Retail Property	55.2%
Diversified Property	30.3%
Industrial Property	7.5%
Commercial Property	3.0%
Cash and Equivalent	2.6%
Other	1.4%

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



Hyperion Bond Fund

APIR BNT0005AU ARSN 089 548 998

Investment Activity

- During the quarter the Fund performed inline with the benchmark.
- The portfolio retains its well diversified exposure to government, semi-government, corporate, mortgage and other fixed interest securities.

Distributions

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

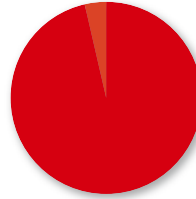
Benchmark

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

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

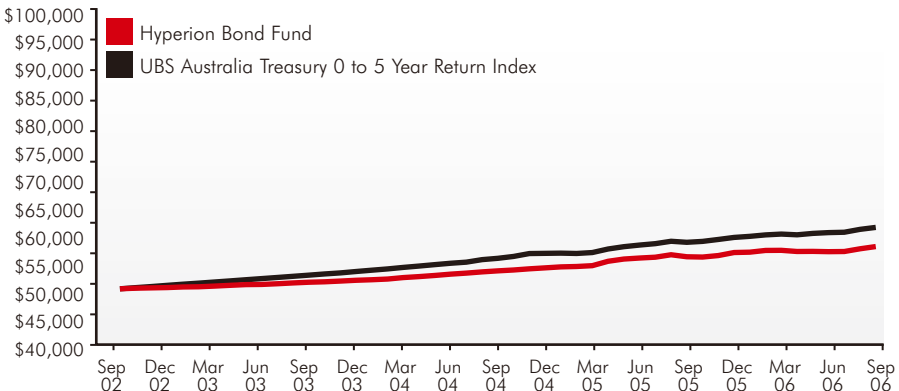
Asset Allocation

As at 30 September 2006



Fixed Interest	96.4%
Cash and Equivalent	3.6%

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



Hyperion Balanced Superannuation Fund

APIR BNT0001AU SFN 280 420 943 R 1067774

Investment Activity

- During the September 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.

Eligible Investors

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

Benchmark

Intech Moderate Survey

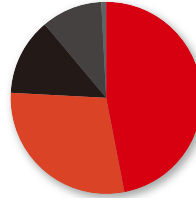
All returns for the Average Manager, after fees and tax.

Trustee

Equity Trustees Limited, ABN 46 004 031 298, AFSL 240975, RSE L0003094 is the Trustee of the Hyperion Balanced Superannuation Fund

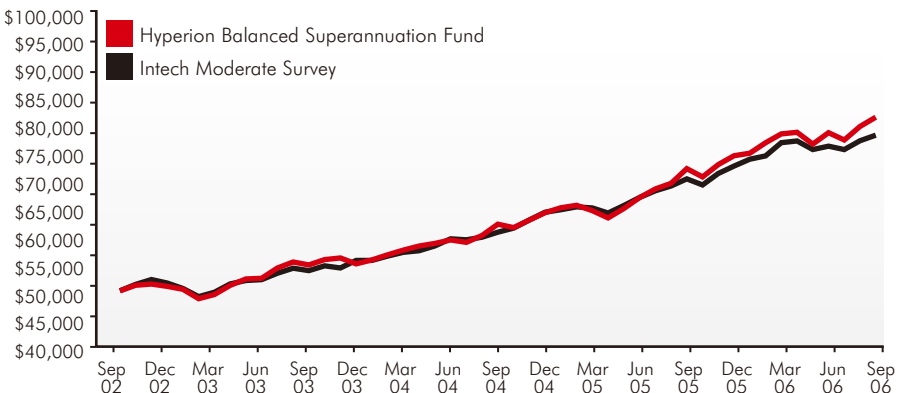
Asset Allocation

As at 30 September 2006



Australian Equities	47.1%
Property	29.0%
International Equities	13.0%
Australian Fixed Interest	10.3%
Cash and Equivalent	0.6%

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) or the Hyperion Balanced Superannuation Fund 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 PDS's are available on-line at www.hyperionam.com.au or by calling Client Services 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.

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