

Hyperion Quarterly Report

December
2005

Hyperion Australian Growth Companies Fund

Hyperion Small Growth Companies Fund

Hyperion Listed Property Fund

Hyperion Overseas Equity Fund

Hyperion Managed Fund

Hyperion Bond Fund

Hyperion Balanced Super Fund

A different horizon

Performance Review

Fund Name	Activation Date	Fund Size
Hyperion Australian Growth Companies Fund	February 1994	\$20,128,442
Benchmark		
Hyperion Small Growth Companies Fund	January 1995	\$12,865,563
Benchmark		
Hyperion Listed Property Fund	September 1998	\$4,931,596
Benchmark		
Hyperion Overseas Equity Fund	February 1993	\$12,030,435
Benchmark		
Hyperion Managed Fund	September 1996	\$10,013,716
Benchmark		
Hyperion Bond Fund	May 1993	\$6,075,013
Benchmark		
Hyperion Balanced Superannuation Fund	November 1992	\$3,459,641
Benchmark		

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.

3 Months	2005	2004	2003	Since Inception
3.3%	28.0%	28.7%	9.6%	12.5%
3.5%	22.5%	27.9%	15.0%	10.7%
1.4%	14.3%	45.9%	31.9%	15.1%
0.6%	19.6%	26.6%	32.3%	10.1%
4.9%	11.3%	31.5%	8.4%	12.3%
6.8%	12.7%	32.2%	8.8%	13.0%
2.6%	10.0%	12.8%	12.4%	8.0%
6.7%	14.3%	8.5%	-2.6%	6.6%
3.3%	16.2%	17.5%	7.2%	N/A
3.4%	13.4%	14.7%	7.5%	N/A
1.4%	5.1%	4.3%	2.6%	5.2%
1.5%	5.1%	6.1%	4.9%	5.7%
3.2%	16.0%	16.7%	7.9%	N/A
3.4%	13.4%	14.7%	7.5%	N/A

The '3 months' performance numbers are for the three months to 31 December 2005. For the years 2005, 2004 and 2003, performance numbers are for the 12-month period to 31 December of the year stated. Performance numbers 'Since Inception' are annualised from the fund inception date to 31 December 2005. All performance numbers represent past returns and are not necessarily an indicator of future returns. All figures are in Australian dollar terms.

Hyperion Australian Growth Companies Fund

APIR BNT0003ALU
ARSN 089 548 443

Investment Activity

- During the December quarter we increased the portfolio's exposure to Billabong and BHP Billiton.
- We sold our holding in Flight Centre and reduced our exposure to Westpac, Rio Tinto and Australian Stock Exchange during the quarter.
- The best performing companies during the quarter were Australian Stock Exchange, Rio Tinto and Cochlear, with Billabong performing well also. The companies that did not perform well were Flight Centre, Babcock & Brown and Macquarie Bank.

Distributions

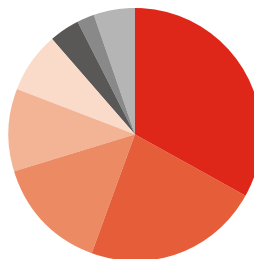
Income is distributed quarterly. The December quarter distribution was 0.79 cents per unit.

Benchmark

S&P/ASX 300 Accumulation Index

Asset Allocation

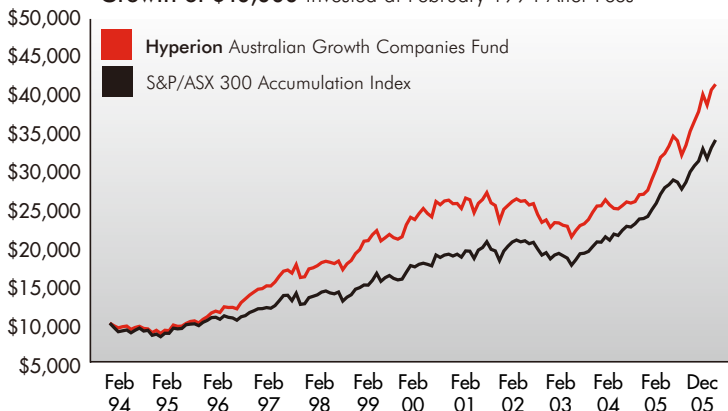
As at 31 December 2005



Financials *	34.4%
Consumer Discretionary	22.1%
Materials	14.4%
Industrials	10.4%
Healthcare	7.6%
Consumer Staples	3.9%
Cash and Equivalent	2.2%
Other	5.0%

* Excluding Property Trusts

Growth of \$10,000 Invested at February 1994 After Fees



Hyperion Small Growth Companies Fund

APR BNT0101AU
ARSN 089 548 943

Investment Activity

- ☉ During the quarter we added three new companies, Iress, Select Managed Funds and Reverse Corp to the portfolio and increased our exposure to Adelaide Bank, Great Southern Plantation and Blackmores.
- ☉ We removed Flight Centre from the portfolio during the December quarter and reduced our exposure to Primary Health Care, Seek and Sydney Aquarium.
- ☉ Queensland Gas Company, UnderCoverWear and JB Hi-Fi were amongst the best performing companies during the quarter under review. Flight Centre, Babcock & Brown Environmental and Nick Scali did not perform very well during the quarter.

Distributions

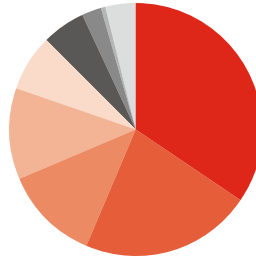
Income is distributed quarterly. The December quarter distribution was 1.04 cents per unit.

Benchmark

S&P/ASX Small Ordinaries Accumulation Index

Asset Allocation

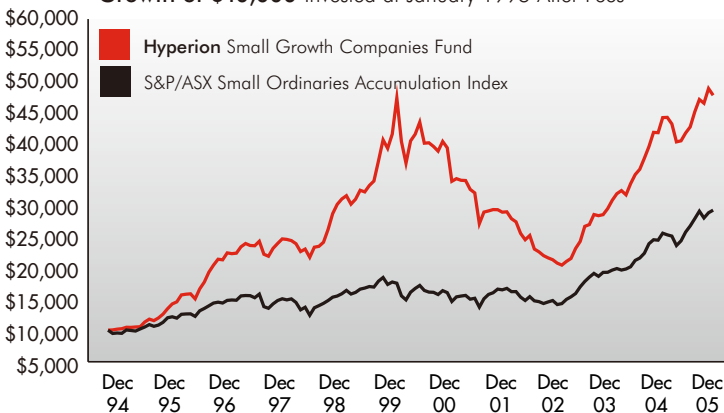
As at 31 December 2005



Consumer Discretionary	34.6%
Financials *	21.9%
Healthcare	12.2%
Industrials	11.7%
Information Technology	7.3%
Materials	5.5%
Cash and Equivalent	2.4%
Consumer Staples	0.7%
Other	3.7%

* Excluding Property Trusts

Growth of \$10,000 Invested at January 1995 After Fees



Hyperion Listed Property Fund

APR WH101 00AU
ARSN 089 548 130

Investment Activity

- The S&P/ASX 300 Property Trusts Accumulation Index returned 6.8% over the December quarter, outperforming the broader equity market (S&P/ASX 200 Accumulation Index), which delivered 3.5%. Macquarie Goodman Group, CFS Gandel Retail Trust and Babcock & Brown Japan Property Trust were the best performing investments over the quarter.
- The performance of the listed property sector was aided by solid fundamentals and further offshore expansion. The fund has maintained its overweighting to Retail and underweighting to Office property.

Distributions

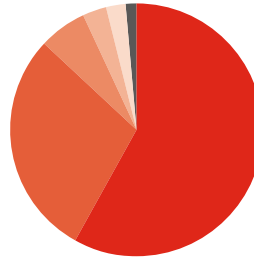
Income is distributed quarterly. The December quarter distribution was 0.19 cents per unit.

Benchmark

S&P/ASX 300 Property Trusts Accumulation Index.

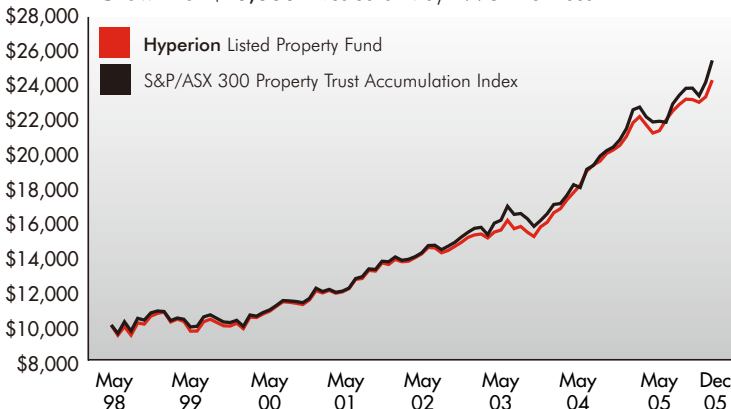
Asset Allocation

As at 31 December 2005



Retail Property	58.2%
Diversified Property	29.0%
Industrial Property	6.1%
Cash and Equivalent	2.9%
Commercial Property	2.5%
Other	1.3%

Growth of \$10,000 Invested at May 1998 After Fees



Hyperion Overseas Equity Fund

APIR BNT0007AU
ARSN 089 548 041

Investment Activity

- ☉ The portfolio's large exposure to Cash is a result of transitioning our investments in the North America market.
- ☉ The portfolio continues to maintain a large overweight position to Emerging markets and in particular the developing nations of Asia. The portfolio's exposure to North America is underweight compared to the benchmark.

Distributions

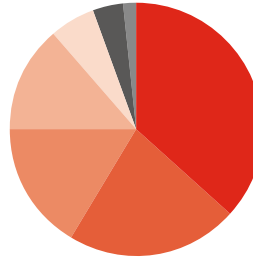
Income is distributed quarterly. There was no distribution for the December quarter.








Benchmark

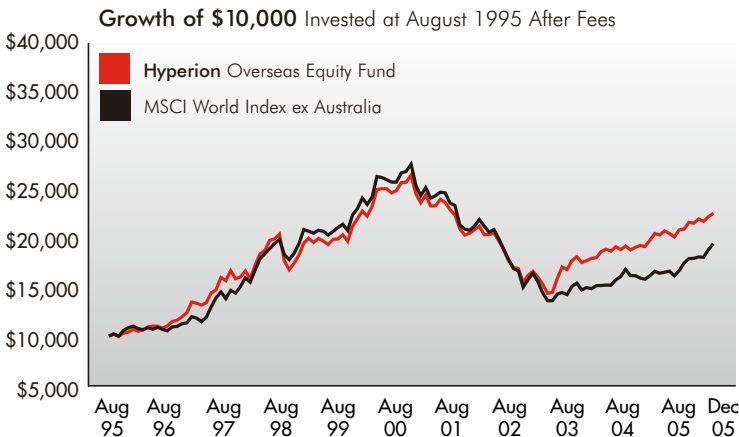
MSCI World Index ex Australia in Australian dollars.

Asset Allocation

As at 31 December 2005



Cash and Equivalent		36.7%
Asia Ex Japan		22.1%
North America		16.3%
Europe		13.7%
United Kingdom		5.8%
Japan		3.9%
Other		1.5%



Hyperion Managed Fund

APIR BNT0002AU
ARSN 089 548 201

Investment Activity

- During the December quarter we increased our exposure to the Property sector by reducing the Portfolio's weighting in Australian Equities, Australian Fixed Interest and Cash
- The Australian Equity sector continued to perform well during the quarter under review to cap off what has been a year of strong performance. However the best performing sector throughout the quarter was Listed Property.

Distributions

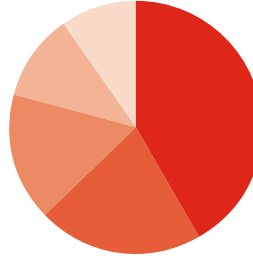
Income is distributed quarterly. The December quarter distribution was 0.45 cents per unit.

Benchmark

InTech Balanced Growth Survey (from 1/2/2005)
All returns for the Average Manager, after fees and tax.
 Wilson HTM Balanced Index (to 31/1/2005)
Is a benchmark composed by Wilson HTM Investment Group.

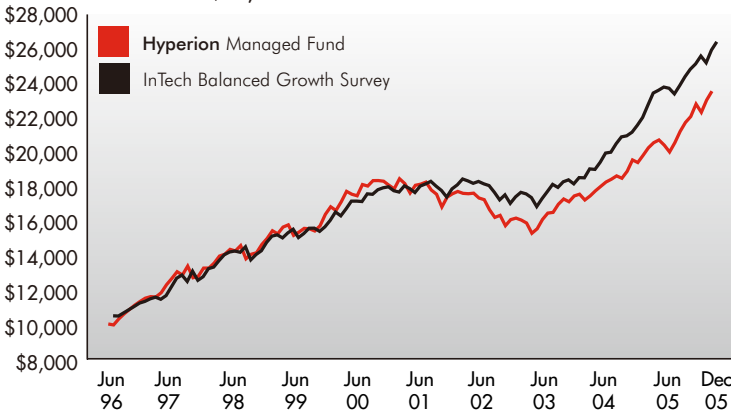
Asset Allocation

As at 31 December 2005



Australian Equities	41.8%
Property	21.1%
Australian Fixed Interest	16.5%
International Equities	11.0%
Cash and Equivalent	9.6%

Growth of \$10,000 Invested at June 1996 After Fees



Hyperion Bond Fund

APIR BNT0005AU
ARSN 089 548 998

Investment Activity

- During the quarter the sector performed in line with expectations with the return being derived from both income distributions and capital gains.
- The portfolio's exposure to high-yielding investments has been increased during the quarter with the portfolio retaining its well diversified exposure to government, semi-government, corporate, mortgage and other fixed interest securities.

Distributions

Income is distributed quarterly. The December quarter distribution was 0.51 cents per unit.

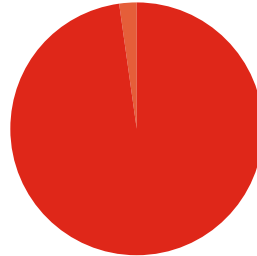
Benchmark

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

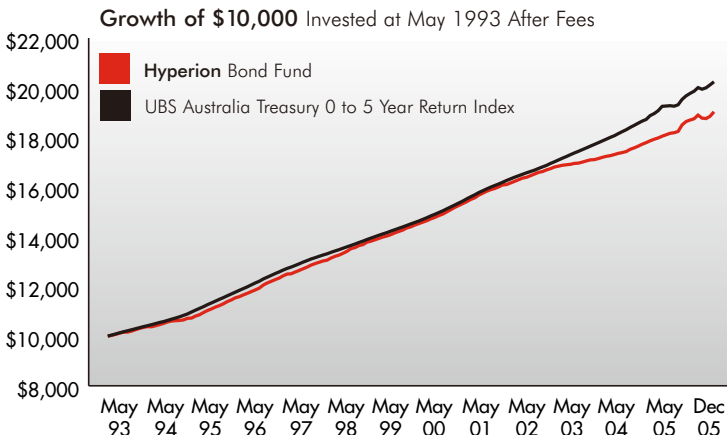
UBS Warburg Bank Bill Index (to 30/6/2004).

Asset Allocation

As at 31 December 2005



Fixed Interest	99.0%
Cash and Equivalent	1.0%



Hyperion Balanced Superannuation Fund

APR BNT0001AU
SFN 280 420 943

Investment Activity

- During the December quarter we increased our exposure to the Property sector by reducing the Portfolio's weighting in Australian Equities, Australian Fixed Interest and Cash.
- The Australian Equity sector continued to perform well during the quarter under review to cap off what has been a year of strong performance. However the best performing sector throughout the quarter was Listed Property.

Eligible Investors

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

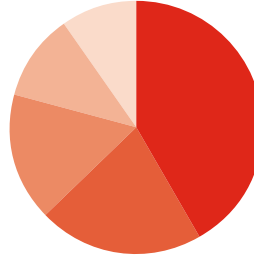
Benchmark

InTech Balanced Growth Survey

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

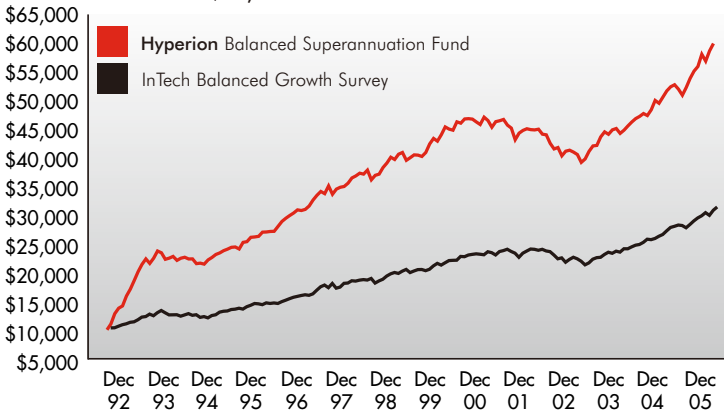
Asset Allocation

As at 31 December 2005



Australian Equities	41.8%
Property	21.1%
Australian Fixed Interest	16.5%
International Equities	11.0%
Cash and Equivalent	9.6%

Growth of \$10,000 Invested at December 1992 After Fees



About Hyperion

Hyperion Asset Management is:

- ☞ A successful boutique satellite investment manager
- ☞ An Australian equity specialist, currently with a small to mid-cap bias
- ☞ A high conviction growth manager
- ☞ Benchmark insensitive
- ☞ Agnostic to trends, sectors and fads
- ☞ Process and research driven
- ☞ Investment out-performance driven
- ☞ Always true to label

Hyperion was incorporated in 1997 and is an associate of the Wilson HTM Investment Group.

How to Invest

Direct Access

Direct Investors with more than \$50,000 of investable cash may invest directly in the **Hyperion** Australian Equity Solutions and the **Hyperion** Wholesale Managed Funds (**Hyperion** Funds) Product Disclosure Statements (PDS).

Investment into these **Hyperion** Funds must be via an application form attached to the relevant **Hyperion** Funds' PDS dated 1st February 2005 incorporating a Supplementary PDS dated 7th November 2005, a copy of which may be downloaded from our website www.hyperionam.com.au

External Master Trusts

The **Hyperion** Funds are available via master trusts, wrap accounts 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 form 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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HYPERION
ASSET MANAGEMENT

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