

# Annual Report

For Period Ended 31 October 2010

Hyperion Overseas Equity Fund

# **Hyperion Overseas Equity Fund**

ARSN 089 548 041

## **Financial statements for the period 01 July 2010 to 31 October 2010**

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These financial statements cover the Hyperion Overseas Equity Fund as an individual entity.

The Responsible Entity of the Hyperion Overseas Equity Fund is WHTM Capital Management Limited (ABN 29 082 494 362). The Responsible Entity's registered office is Level 38, 71 Eagle Street, Brisbane, QLD 4000.

## Directors' report

The directors of WHTM Capital Management Limited (a wholly owned subsidiary of Wilson HTM Investment Group Ltd), the Responsible Entity of the Hyperion Overseas Equity Fund, present their report together with the financial statements of the Hyperion Overseas Equity Fund (the "Fund"), for the period 01 July 2010 to 31 October 2010.

On 5 July 2010, the directors of the Responsible Entity approved the winding up of the Fund. As at 31 October 2010, the Fund was in the process of being wound up. This is the final financial report to be issued in respect of the Fund.

## Principal activities

The Fund is a registered managed investment fund domiciled in Australia.

Up until the Responsible Entity approved the winding up of the Fund, the Fund invested in international equities in accordance with the provisions of the Fund's Product Disclosure Statement and Fund Constitution.

The Fund did not have any employees during the period.

Other than the decision of the Responsible Entity to wind up the Fund, there were no significant changes in the nature of the Fund's activities during the period under review.

## Directors

The following persons held office as directors of WHTM Capital Management Limited during the period or since the end of the period and up to the date of this report:

Mr A Sweeney  
Mr I Harrison (resigned 15 October 2010)  
Ms K Penrose  
Ms M Brady (appointed 15 October 2010)

The Responsible Entity also has a Compliance Committee consisting of the General Manager and two independent persons. This committee's role is to oversee the compliance requirements of the Fund operated by the Responsible Entity. This Committee met once during the financial period under review.

## Review and results of operations

The performance of the Fund, as represented by the results of its operations, was as follows:

	Period ended 31 October 2010 \$	Year ended 30 June 2010 \$
Net operating (loss)/profit before financing costs attributable to unitholders	(101,277)	80,005
Distribution paid and payable	-	-
Distribution (cents per unit)	-	-

## Significant changes in state of affairs

On 5 July 2010, the directors of the Responsible Entity resolved to wind up the Fund. The Fund has ceased accepting applications and redemptions. As at 31 October all Fund investments have been realised and returned to unitholders. Other than holding a cash balance in the bank account for payment of creditors, the Fund has no further transactions.

## Matters subsequent to the end of the financial period

Notice of the completion of the winding up of the Fund, together with a copy of these final financial statements will be lodged with ASIC.

## Directors' report (continued)

### Likely developments and expected results of operations

The Fund has ceased operations with all investments sold and monies returned to unitholders. The Fund has no further transactions.

### Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards of insurance cover provided to either the officers of WHTM Capital Management Limited or the auditors of the Fund. So long as the officers of WHTM Capital Management Limited act in accordance with the Fund Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditors of the Fund are not indemnified out of the assets of the Fund.

### Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the period are disclosed in Note 12 on page 21 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the period.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial period are disclosed in Note 12 on page 21 of the financial statements.

### Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 11 of the financial statements.

The value of the Fund's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 2 of the financial statements.

### Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors.



Mr A Sweeney  
Chairman, WHTM Capital Management Limited

Brisbane  
16 December 2010

PricewaterhouseCoopers  
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### Auditor's Independence Declaration

As lead auditor for the audit of the Hyperion Overseas Equity Fund for the period ended 31 October 2010, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the Hyperion Overseas Equity Fund during the period.



Craig Thomason  
Partner  
PricewaterhouseCoopers

Brisbane  
16 December 2010

**Statement of comprehensive income**

	Notes	Period ended 31 October 2010 \$	Year ended 30 June 2010 \$
<b>Investment income</b>			
Interest income		6,652	6,209
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	(80,644)	140,096
Net (losses)/gains on foreign exchange		-	(1,828)
Other operating income		-	69
<b>Total net investment (loss)/income</b>		<b>(73,992)</b>	<b>144,546</b>
<b>Expenses</b>			
Responsible entity fees	12	-	2,438
Management fees	12	14,570	9,247
Custody and fund administration fees		2,253	32,734
Auditor's remuneration	5	10,349	8,375
Other operating expenses		113	11,747
<b>Total operating expenses</b>		<b>27,285</b>	<b>64,541</b>
<b>Operating (loss)/profit</b>		<b>(101,277)</b>	<b>80,005</b>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	6	-	-
Decrease/(increase) in net assets attributable to unitholders	11	101,277	(80,005)
<b>(Loss)/profit for the period/year</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**Statement of financial position**

	Notes	As at	
		31 October 2010 \$	30 June 2010 \$
<b>Assets</b>			
Cash and cash equivalents	7	9,274	96,239
Receivables	9	1,075	326
Financial assets held at fair value through profit or loss	8	-	2,656,443
<b>Total assets</b>		<b>10,349</b>	<b>2,753,008</b>
<b>Liabilities</b>			
Payables	10	10,349	4,415
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>10,349</b>	<b>4,415</b>
<b>Net assets attributable to unitholders - liability</b>	11	-	2,748,593

The above statement of financial position should be read in conjunction with the accompanying notes.

**Statement of changes in equity**

	<b>Period ended 31 October 2010 \$</b>	<b>Year ended 30 June 2010 \$</b>
<b>Total equity at the beginning of the financial period</b>	-	-
Profit/(loss) for the period	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the financial period</b>	-	-

In accordance with AASB 132 'Financial Instruments: Presentation', net assets attributable to unitholders is classified as a liability rather than equity. As a result there was no equity at the start or end of the period.

Changes in net assets attributable to unitholders are disclosed in Note 11.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**Statement of cash flows**

	Notes	Period ended 31 October 2010 \$	Year ended 30 June 2010 \$
<b>Cash flows from operating activities</b>			
Proceeds from maturity/sales of financial instruments held at fair value through profit or loss		2,635,880	410,506
Purchase of financial instruments held at fair value through profit or loss		(60,080)	(118,030)
Interest received		6,056	5,881
Other income received		-	69
Responsible entity fees paid		-	(2,743)
Management fees paid		(14,570)	(10,804)
RITC received		(671)	2,011
Custody and fund administration fees paid		(6,150)	(32,917)
Audit fees paid		-	(18,078)
Other expenses paid		(114)	693
<b>Net cash inflow from operating activities</b>	13 (a)	<b>2,560,351</b>	<b>236,588</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		68,281	725,609
Payments for redemptions by unitholders		(2,715,597)	(972,994)
<b>Net cash outflow from financing activities</b>		<b>(2,647,316)</b>	<b>(247,385)</b>
<b>Net decrease in cash and cash equivalents</b>			
		(86,965)	(10,797)
Cash and cash equivalents at the beginning of the period		96,239	108,864
Effect of exchange rate fluctuations on cash		-	(1,828)
<b>Cash and cash equivalents at the end of the period</b>	13 (b),7	<b>9,274</b>	<b>96,239</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

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## 1 General information

These financial statements cover the Hyperion Overseas Equity Fund (the "Fund") as an individual entity and the financial statements are presented in the Australian currency. The Fund was constituted on 9 September 1999.

The Responsible Entity of the Fund is WHTM Capital Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 38, 71 Eagle Street, Brisbane, QLD 4000.

The Responsible Entity is incorporated and domiciled in Australia.

The Custodian of the Fund is Citigroup Pty Limited.

On 5 July 2010, the directors of the Responsible Entity approved the winding up of the Fund. This is the final financial report of the Fund.

As at 31 October 2010, all Fund investments have been realised and monies returned to unitholders. Other than a cash balance in the bank account for the payment of creditors, the Fund has no further transactions.

The financial statements were authorised for issue by the directors on 16 December 2010. The directors of the Responsible Entity have the power to amend the financial statements after they have been issued.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods/years presented, unless otherwise stated in the following text.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001* in Australia, as they apply to a Fund that is not a going concern.

The financial statements for the period ended 31 October 2010 are prepared on a liquidation basis. The directors consider the Fund is not a going concern as they have resolved to wind up the Fund.

#### *Compliance with International Financial Reporting Standards (IFRS)*

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### (b) Financial instruments

#### (i) Classification

The Fund designated its investments into the liquidation value category. Any gain or loss from a change in the liquidation value (from the fair value adopted at 30 June 2010) is recognised in profit or loss. Any gain or loss from the disposal of an asset has been recognised in profit or loss.

#### (ii) Liquidation measurement principles

The liquidation values of the investments are estimated using valuation techniques, such as recent arm's length market transactions.

#### (iii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

#### (iii) Recognition/derecognition (continued)

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Fund retains the right to receive cash flows from the asset, but have assumed an obligation to pay them in full without material delay to a third party under a 'pass through' agreement; or
- the Fund has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset; or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Any gains or losses arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) are included in the statement of comprehensive income in the year the asset is derecognised as realised gains or losses on financial instruments.

#### (iv) Measurement

##### (a) Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

- Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

- Fair value in an inactive market

The fair value of financial assets and liabilities that are not traded in an active market are determined directly, in full or in part, by reference to quoted prices that were available from various sources, such as exchanges, dealers, brokers, industry groups and pricing services, as on the balance date without any deduction for estimated future selling cost. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Fund recognises the difference in profit or loss to reflect a change in factors, including time, that market participants would consider in setting a price.

##### (b) Loans and receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses, if any. Such assets are reviewed at each reporting date to determine whether there is objective evidence of impairment, for example when there has been a significant or prolonged decline in the fair value below cost.

If any such indication of impairment exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent year the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

## **2 Summary of significant accounting policies (continued)**

### **(b) Financial instruments (continued)**

#### **(v) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### **(c) Net assets attributable to unitholders**

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities due to mandatory distributions. The units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Fund.

#### **(d) Cash and cash equivalents**

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

#### **(e) Investment income**

Interest income and expenses are recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit and loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b).

Dividend income is recognised on the ex-dividend date net of any related foreign withholding tax.

Trust distributions are recognised on an entitlements basis.

Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at year end and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend income.

#### **(f) Expenses**

All expenses, including manager's fees, are recognised in the statement of comprehensive income on an accruals basis.

#### **(g) Income tax**

Under current legislation, the Fund is not subject to income tax provided the taxable income of the Fund is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Fund).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

## 2 Summary of significant accounting policies (continued)

### (g) Income tax (continued)

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

### (h) Distributions

In accordance with the Fund's Constitution, the Fund distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

### (i) Increase/(decrease) in net assets attributable to unitholders

Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as part of finance costs. The movements include undistributable income which may consist of undistributable unrealised changes in fair value of financial instruments held at fair value through profit or loss and derivative financial instruments; accrued income not yet assessable; expenses provided or accrued for which are not yet deductible; net capital losses; and tax free or tax deferred income. Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax.

### (j) Due from/to brokers

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled on terms consistent with the applicable exchange through which the trade was conducted. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired.

### (k) Receivables

Receivables may include amounts for dividends, interest, trust distributions and amounts due from brokers. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC).

### (l) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

## **2 Summary of significant accounting policies (continued)**

### **(l) Foreign currency translation (continued)**

#### **(i) Functional and presentation currency (continued)**

The Fund does not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

#### **(m) Payables**

Payables include liabilities, amounts due to brokers and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the reporting date is recognised separately on the statement of financial position as unitholders are presently entitled to the distributable income as at 31 October 2010 under the Fund Constitution.

#### **(n) Applications and redemptions**

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Fund divided by the number of units on issue.

#### **(o) Goods and Services Tax (GST)**

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

#### **(p) Use of estimates**

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

### 3 Financial risk management

#### (a) Objectives, strategies, policies and processes

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by an Investment Manager (Investment Manager) under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk, foreign exchange and price risk.

#### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Fund's direct investments and not on a look-through basis for investments held in the Fund.

The sensitivity of the Fund's net assets attributable to unitholders (and net operating profit/(loss)) to price risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including the historical correlation of the Fund's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

##### (i) Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate because of changes in prices, whether those changes are caused by factors specific to the financial instrument or its issuer, or factors affecting all similar financial instruments.

Price risk exposure arise from the Fund's investment portfolio. The investments are classified on the statement of financial position as at fair value through profit or loss. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Fund's overall market positions are monitored on a daily basis by the Fund's Investment Manager and are reviewed at least quarterly by the Board.

Compliance with the Fund's Product Disclosure Statement is reported to the Board at least quarterly.

As the Fund is in liquidation and has disposed of its financial investments, it is not exposed to price risk as at the end of 31 October 2010.

### **3 Financial risk management (continued)**

#### **(b) Market risk (continued)**

##### *(ii) Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

During the period under review, the Fund did not have any assets/liabilities denominated in currencies other than the Australian Dollar, so it was not exposed to foreign exchange risk.

#### **(c) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

The Fund holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

There are no material concentrations of credit risk at 31 October 2010 or 30 June 2010.

#### **(d) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Fund's investment in financial instruments. The Fund may redeem out of the unlisted managed investment funds on a monthly basis in order to meet cash requirements. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Fund's Constitution provides for the daily application and redemption of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions at any time.

The Fund may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a deterioration in the creditworthiness of any particular issuer. No such investments were held at the reporting date.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity position on a daily basis, and the Board reviews them on a quarterly basis. Compliance with the Fund's policy is reported to the Board at least quarterly.

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

##### *Maturity analysis for financial liabilities*

The table below analyses the Fund's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period/year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

At 31 October 2010	Less than 1 month \$	1-3 months \$	3-12 months \$	12-60 months \$
Accrued expenses	10,349	-	-	-
Net assets attributable to unitholders	-	-	-	-
<b>Total financial liabilities</b>	<b>10,349</b>	<b>-</b>	<b>-</b>	<b>-</b>

  

At 30 June 2010	Less than 1 month \$	1-3 months \$	3-12 months \$	12-60 months \$
Accrued expenses	3,897	-	-	-
GST payable	518	-	-	-
Net assets attributable to unitholders	2,748,593	-	-	-
<b>Total financial liabilities</b>	<b>2,753,008</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### (e) Fair values of financial assets and financial liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

As the Fund is in liquidation and has disposed of all its financial investments as at 31 October 2010, no fair value measurement hierarchy table is disclosed for this period.

At 30 June 2010	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
<i>Designated at fair value through profit or loss</i>				
Unlisted managed investment funds	-	2,656,443	-	2,656,443
<b>Total assets</b>	<b>-</b>	<b>2,656,443</b>	<b>-</b>	<b>2,656,443</b>

The fair values of the Fund's financial assets and liabilities for the year ended 30 June 2010 were determined directly, in full or in part, by reference to quoted prices that were available from various sources, such as exchanges, dealers, brokers, industry groups and pricing services, as on the balance date without any deduction for estimated future selling cost.

The fair value of unlisted managed investment funds is included in level 2.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

**4 Net (losses)/gains on financial assets designated at fair value through profit or loss**

	Period ended 31 October 2010 \$	Year ended 30 June 2010 \$
Net (losses)/gains on financial assets designated at fair value through profit or loss	<b>(80,644)</b>	140,096

**5 Auditor's remuneration**

During the period/year the following fees were paid or payable for services provided by the auditor of the Fund:

	Period ended 31 October 2010 \$	Year ended 30 June 2010 \$
<b>(a) Audit services</b>		
Audit of financial statements	7,425	1,847
Compliance Plan Audit	-	6,528
<b>Total remuneration for audit services</b>	<b>7,425</b>	<b>8,375</b>
<b>(b) Non-audit services</b>		
Tax Compliance Services	2,924	-
	<b>2,924</b>	-

Fees for audit and non-audit services in excess of the above are paid by the Investment Manager out of the management fee that they earn.

**6 Distributions to unitholders**

**Timing of distributions**

The distributions were paid/payable as follows:

	Period ended		Year ended	
	31 October 2010 \$	31 October 2010 CPU	30 June 2010 \$	30 June 2010 CPU
<b>Distributions</b>				
30 June (payable)	-	-	-	-
	-	-	-	-

**7 Cash and cash equivalents**

	<b>As at</b>	
	<b>31 October 2010</b>	<b>30 June 2010</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<b>9,274</b>	96,239
	<b>9,274</b>	96,239

**8 Financial assets held at fair value through profit or loss**

	<b>As at</b>	
	<b>31 October 2010</b>	<b>30 June 2010</b>
	<b>\$</b>	<b>\$</b>
<i>Designated at fair value through profit or loss</i>		
Unlisted managed investment funds	-	2,656,443
<b>Total financial assets held at fair value through profit or loss</b>	-	2,656,443

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in Note 3.

**9 Receivables**

	<b>As at</b>	
	<b>31 October 2010</b>	<b>30 June 2010</b>
	<b>\$</b>	<b>\$</b>
Accrued income	922	326
GST receivable	153	-
<b>Total receivables</b>	<b>1,075</b>	<b>326</b>

**10 Payables**

	<b>As at</b>	
	<b>31 October 2010</b>	<b>30 June 2010</b>
	<b>\$</b>	<b>\$</b>
Accrued expenses	10,349	3,897
GST Payable	-	518
<b>Total payables</b>	<b>10,349</b>	<b>4,415</b>

## 11 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the period/year were as follows:

As stipulated within the Fund Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

	Period ended 31 October 2010 No.	Year ended 30 June 2010 No.	Period ended 31 October 2010 \$	Year ended 30 June 2010 \$
<b>Net assets attributable to unitholders</b>				
Opening balance	3,236,154	3,466,310	2,748,593	2,871,493
Applications	79,661	822,841	68,281	725,609
Redemptions	-	(1,052,997)	-	(928,514)
Return of capital to unitholders	(3,315,815)	-	(2,715,597)	-
Increase/(decrease) in net assets attributable to unitholders	-	-	(101,277)	80,005
<b>Closing balance</b>	<b>-</b>	<b>3,236,154</b>	<b>-</b>	<b>2,748,593</b>

### Capital risk management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The Fund ceased to accept applications and suspended redemptions on 6 July 2010.

## 12 Related party transactions

### Responsible Entity

The Responsible Entity of the Hyperion Overseas Equity Fund is WHTM Capital Management Limited.

Hyperion Asset Management Limited is the Investment Manager of the Fund.

Wilson HTM Investment Group Ltd is the ultimate holding company of WHTM Capital Management Limited and has a financial interest in Hyperion Asset Management Limited.

### Key management personnel

#### Directors

Key management personnel includes persons who were directors of WHTM Capital Management Limited at any time during the financial period as follows:

Mr A Sweeney  
Mr I Harrison (resigned 15 October 2010)  
Ms K Penrose  
Ms M Brady (appointed 15 October 2010)

## 12 Related party transactions (continued)

### Responsible Entity fees and other transactions

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the period/year and amounts payable at period/year end between the Fund and the Responsible Entity were as follows:

	Period ended 31 October 2010 \$	Year ended 30 June 2010 \$
Responsible Entity fees for the period/year paid/payable by the Fund*	-	2,438
Management fees for the period/year paid/payable by the Fund	14,570	9,247
Aggregate amount payable to the Responsible Entity at the reporting date	-	-
Aggregate amount payable to the Investment Manager at the reporting date	-	-

\*Where the Fund invests into other funds managed by the Responsible Entity, the Responsible Entity's fee is calculated after rebating fees charged in the underlying funds.

### Related party Fund's unitholdings

As at 31 October and 30 June 2010, there were no holdings in the Fund by the Responsible Entity or other related parties.

### Key management personnel compensation

Key management personnel are paid by Wilson HTM Services Pty Ltd. Payments made from the Fund to WHTM Capital Management Limited do not include any amounts directly attributable to key management personnel remuneration.

### Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

### Other transactions within the Fund

From time to time directors of WHTM Capital Management Limited, or their director related entities, may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors and are trivial in nature.

Apart from those details disclosed in this note, no key management personnel of the Responsible Entity have entered into a material contract with the Fund during the period and there were no material contracts involving directors' interests subsisting at period end.

### 13 Reconciliation of net (loss)/profit to net cash inflow from operating activities

	Period ended 31 October 2010 \$	Year ended 30 June 2010 \$
<b>(a) Reconciliation of net (loss)/profit to net cash inflow from operating activities</b>		
Net (loss)/profit for the period/year	-	-
(Decrease)/increase in net assets attributable to unitholders	(101,277)	80,005
Proceeds from maturity/sale of financial instruments held at fair value through profit or loss	2,635,880	410,506
Purchase of financial instruments held at fair value through profit or loss	(60,080)	(118,030)
Net (losses)/gains on financial instruments held at fair value through profit or loss	80,644	(140,096)
Net gains on foreign exchange	-	1,828
Net change in receivables and accrued income	(750)	13,607
Net change in accounts payable and accrued liabilities	5,934	(11,232)
<b>Net cash inflow from operating activities</b>	<b>2,560,351</b>	<b>236,588</b>
<b>(b) Components of cash and cash equivalents</b>		
Cash as at the end of the financial period/year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	9,274	96,239
	<b>9,274</b>	<b>96,239</b>

### 14 Events occurring after the reporting period

Notice of the completion of the winding up of the Fund, together with a copy of these final financial statements will be lodged with ASIC.

### 15 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 October 2010 and 30 June 2010.

### Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 22 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 October 2010 and of its performance for the financial period ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Mr A Sweeney  
Chairman, WHTM Capital Management Limited

Brisbane  
16 December 2010

## Independent audit report to the unitholders of Hyperion Overseas Equity Fund

### Report on the financial report

We have audited the accompanying financial report of the Hyperion Overseas Equity Fund (the "Fund"), which comprise the statement of financial position as at 31 October 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### *Directors' responsibility for the financial statements*

The directors of the Responsible Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

**Independent audit report to the unitholders of  
Hyperion Overseas Equity Fund  
(continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Matters relating to the electronic presentation of the audited financial report*

This auditor's report relates to the financial report of Hyperion Overseas Equity Fund (the "Fund") for the period ended 31 October 2010 included on the Responsible Entity's web site. The Responsible Entity's directors are responsible for the integrity of the Responsible Entity's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's opinion*

In our opinion:

- (a) the financial report of Hyperion Overseas Equity Fund is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Fund's financial position as at 31 October 2010 and of its performance for the period ended on that date, and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

PriceWaterhouseCoopers

PriceWaterhouseCoopers



Craig Thomason  
Partner

Brisbane  
16 December 2010

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