

## Fund Update February 2025

### Market Commentary

Major equity indices were mixed in February. The S&P 500 Total Return Index fell 1.3% over the month amid uncertainty surrounding the Trump administration's policies and a cautious U.S. Federal Reserve as inflation remains above their 2 per cent longer-run goal. Trade war developments dominated headlines, with U.S. President Trump announcing tariffs on Canada, Mexico, and China, though implementation was delayed pending negotiations. Long-term U.S. Treasury yields declined over the month, although they remain within their trading range over the past couple of years. In Europe, the Euro STOXX 50, Germany DAX, and FTSE 100 total return indices returned +3.5%, +3.8%, and +2.0%, respectively over February.

### Fund Update and Outlook

The Hyperion Global Growth Companies PIE Fund returned -6.6% (net of fees) in February, underperforming its MSCI World Net Total Return Index (NZD) benchmark by 6.8%. Dino Polska SA, Spotify Technology SA and Costco Wholesale Corporation saw the strongest share price performance, while Block, Inc., Tesla, Inc. and Alphabet Inc. saw the largest declines. Global markets started the month well as companies reported their financial results for the 2024 December year end. However, we saw a broad-based sell off in the second half of the month as uncertainty appeared due to U.S. government policy announcements. Fundamentally, reporting season for our Global Strategy was encouraging and on a portfolio level, the results have been consistent with our long-term expectations regarding valuation and fundamental risk. This leads us to believe that the recent capitulation in markets is technical in nature and not fundamentally driven. The Global Strategy continues to look attractive, primarily because of our portfolio companies' attractive long-term forecast EPS growth profiles and our portfolio's attractive long-term forecast internal rate of return. Opportunities can often appear when financial markets disconnect from fundamentals (signals) and trade on fear and speculation (noise). Read more [here](#).

Watch the replay of our November webinar [HERE](#) where we discussed why company fundamentals matter more than ever and why the power of long-term compounding, strong portfolio fundamentals and market share gains are rewarded.

The Hyperion Asset Management team is pleased to announce we have been named 2025 Fund Manager of the Year at the Morningstar Awards for Investing Excellence in Australia.

### Hyperion named Morningstar Australia Fund Manager of the Year

The recognition is a testament to our disciplined proprietary investment process which has demonstrated how skilled bottom-up long-term structural growth investing can generate superior long-term performance.

2025 is the fourth time Hyperion has been named the Morningstar Fund Manager of the Year (previously in 2024, 2021 and 2016). You can learn more about the Morningstar Awards [here](#).

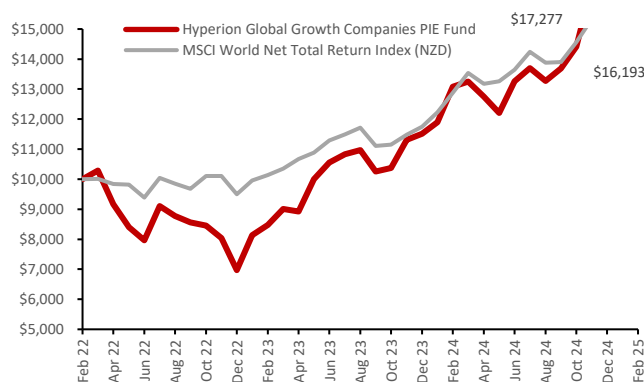
### Fund Features

- High-conviction portfolio of quality global listed equities from a research driven, bottom-up investment philosophy
- Benchmark unaware
- Leverage not permitted

### We believe companies in our portfolio have:

- Earnings which will grow or be maintained
- Low debt
- High interest cover
- Sustainable competitive advantages
- High return on capital
- Strong free cash flow
- Organic growth options
- Experienced and proven management teams

### Growth of \$10,000 Since Inception, Post-Fees\*



\*Inception date: 2<sup>nd</sup> March 2022. Source: Hyperion Asset Management. Past performance is for illustrative purposes only and is not indicative of future performance.

### Platform Availability

FNZ	Adminis
Apex	NZX Wealth Technologies

### Fund Performance

	Portfolio – Net (%)	Benchmark <sup>^</sup> (%)	Excess Performance (%)
1 Month	-6.6	0.2	-6.8
3 Months	5.3	5.7	-0.4
6 Months	30.2	16.7	13.5
1 Year	32.1	25.7	6.4
2 Year	42.8	26.4	16.4
Inception (p.a.)*	20.0	17.4	2.6
Inception (TR)* <sup>#</sup>	72.8	61.9	10.8

\*Inception date: 2<sup>nd</sup> March 2022. <sup>^</sup> MSCI World Net Total Return Index (NZD). <sup>#</sup> Total return.

Returns are net of applicable fees and costs. Past performance is not a reliable indicator of future performance. The performance figures provided in the table above reflect actual valuation dates over the reported period. The performance figures reported may deviate from the returns that investors receive from buying and selling units in the Fund, as prior to 27<sup>th</sup> January 2023, BNP applied a T-1 valuation lag on global securities for their Unit Pricing valuation methodology. For example, 1<sup>st</sup> May 2022 Unit Price reflected 30<sup>th</sup> April 2022 global security valuations. The pricing methodology was changed by BNP on 27<sup>th</sup> January 2023 to remove the valuation lag. Performance as at 28<sup>th</sup> February 2025.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Tesla, Inc.	12.0	1.2
Block, Inc.	9.0	0.1
ServiceNow, Inc.	9.0	0.3
Amazon.com, Inc.	8.0	2.8
Microsoft Corporation	7.7	3.9

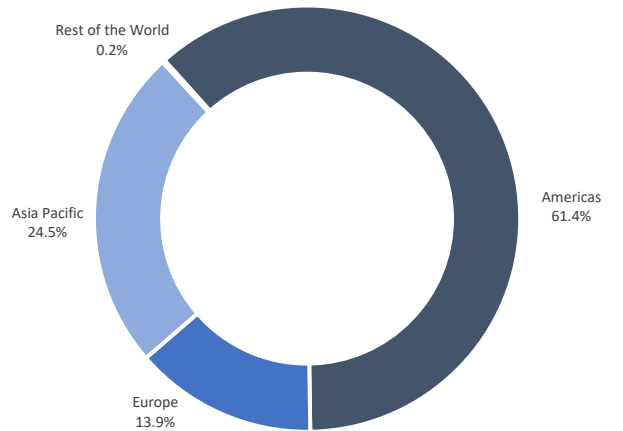
Companies shown are illustrative only and not a recommendation to buy or sell any particular security.

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	14.4	8.2
Consumer Discretionary	25.9	10.6
Consumer Staples	2.3	6.2
Financials	13.8	17.0
Health Care	2.9	10.9
Information Technology	38.4	24.6
Cash	2.2	--

Due to rounding, portfolio weights may not sum perfectly to 100.0%

Geographical Weight by Source of Revenue^



^Based on composite.  
Due to rounding, portfolio weights may not sum perfectly to 100.0%

Market Capitalisation (NZD)

	Portfolio (%)	# Stocks
\$0 - \$50b	2.1	2
\$50 - \$100b	9.0	1
\$100b +	86.6	19
Cash	2.2	--
Total	100	22

Due to rounding, portfolio weights may not sum perfectly to 100.0%.  
All data as at 28<sup>th</sup> February 2025. Source: Hyperion Asset Management

Top Contributors and Detractors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Tesla, Inc.	57.5	12.4	9.5
Palantir Technologies Inc.	268.1	4.2	8.5
Spotify Technology SA	157.8	6.3	6.9
ServiceNow, Inc.	31.1	8.9	3.4
Amazon.com, Inc.	30.6	9.7	3.2

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Block, Inc.	-10.7	7.8	-1.6
ASML Holding	-19.0	6.3	-1.5
Workday, Inc.	-2.8	5.5	-0.6
Kering SA*	-41.0	0.6	-0.4
LVMH	-13.8	1.2	-0.3

\*Stock not currently held in the portfolio

Portfolio Characteristics

	Portfolio
Number of Holdings	22
Top 10 Security Holdings (%)	75.4
Dividend Yield (%)*	0.3
Beta	1.5

Before fees. \* Trailing.

Fund Facts

Name	Hyperion Global Growth Companies PIE Fund
Inception Date	2 <sup>nd</sup> March 2022
Manager and Issuer	FundRock NZ Limited
Investment Manager	Hyperion Asset Management Limited
Registry	Apex Investment Administration (NZ) Limited
Custodian and Administrator	BNP Paribas Fund Services Australasia
Legal Structure	New Zealand unit trust which has elected to be a Portfolio Investment Entity
Dealing Frequency	Daily, each NZ business day (T settlement)
Dealing Deadline	2:00pm (NZST) on T
Distribution Policy	Accumulating
Base Currency	New Zealand Dollar, Unhedged
Fixed Annual Fund Charges <sup>1</sup>	0.70% p.a. + GST
Buy/Sell Spread	0.30%/0.30%
Performance Fee <sup>2</sup>	20% over Benchmark, net of Fixed Annual Fund Charges (excl. GST)
Benchmark	MSCI World Net Total Return Index (NZD)
Min initial investment	\$20,000
Fund AUM (28/02/2025)	\$96.8 million
NAV Price (28/02/2025)	\$1.7226

1. As a percentage of the net asset value of the Fund per annum.  
2. The Performance Fee is equal to 20% of the Fund's outperformance (net of Fixed Annual Fund Charges excl. GST) relative to its benchmark return, multiplied by the net asset value of the Fund. The Performance Fee is calculated and accrued each business day and may be positive or negative. If the Performance Fee is positive, the amount is incorporated in the Fund's unit price. If the Performance Fee is negative, the negative amount will be carried forward. The Performance Fee amount payable by the Fund is equal to the total daily Performance Fee accrual for each half-yearly period, ending 31 December and 30 June. There is no maximum limit to the Performance Fee. The benchmark used for calculating the Performance Fee is the MSCI World Net Total Return Index (NZD). If the benchmark ceases to be published, we will nominate an equivalent replacement index. For more information on performance fees, please refer to the Product Disclosure Statement.

## Portfolio Holdings Update

### Block, Inc. (XYZ-US)

**Primary Exchange****NYSE****GICS Sector****Financials****Market Cap (US\$m)****36,531**

Block, Inc. (Block) reported its full year 2024 result with revenue of US\$24.1bn up 10% Year-on-Year (YoY) or up 12% excluding Bitcoin revenue. Square, the company's merchant facing business, produced US\$3.6bn in gross profit, increasing 15% YoY. Cash App, the company's consumer facing business, produced US\$5.2bn in gross profit, up 21% YoY. Block drove healthy growth across both core ecosystems and while doing so expanded its adjusted operating margin 13 points YoY, from 5% in FY23 to 18% in FY24. The company repurchased 17m shares over the course of FY24 and remains well capitalised ending the year with US\$10.7bn in available liquidity. Guidance for FY25 is for at least 15% gross profit growth, and to expand operating margins a further 3 points. The company intends to exit the 4th quarter of FY25 having achieved their medium-term Rule-of-40 guidance (gross-profit growth + adjusted operating income). Square's gross-payment-volume growth is expected to accelerate over FY25 as go-to-market initiatives take hold and be a key driver of the segments' gross-profit growth. Cash App's monetisation rate will be the key driver of growth in FY25 as Borrow, and Afterpay on Cash Card continue to ramp. We continue to believe that Block's long-term prospects are attractive with numerous growth levers available across both Square and the Cash App.

### Palantir Technologies, Inc. (PLTR-US)

**Primary Exchange****NASDAQ****GICS Sector****Information Technology****Market Cap (US\$m)****190,981**

Palantir Technologies Inc (Palantir) reported its full year 2024 result with revenue of US\$2.9bn up 29% Year-on-Year (YoY), gross profit of US\$2.3bn up 28% YoY, and adjusted operating income of US\$1.13bn up 78% YoY. Commercial revenue increased 30% to US\$1.3bn in FY24 with US commercial growth accelerating to 54% from the 36% achieved in FY23. The company's government business also performed well with revenue up 28% YoY to US\$1.6bn, again an acceleration in growth from the 14% achieved in FY23. Palantir continued to see strong commercial customer demand, adding 196 enterprise and corporate clients over the year. In the fourth quarter alone the company closed 58 deals worth over US\$5m, and 32 over US\$10m across both the government and commercial segments. Revenue growth is again expected to accelerate in FY25 to 31% YoY reaching US\$3.8bn and adjusted operating profit margin to expand a further two points to 41%. We expect Palantir will continue to benefit over the long term as both new and existing customers increasingly rely on their ability to rapidly integrate and extract value from artificial intelligence.

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**Awarded Fund Manager of the Year – Overall**  
Morningstar 2025 Awards, Australia.



**Awarded Fund Manager of the Year – Overall**  
Morningstar 2024 Awards, Australia.



**Awarded Fund Manager of the Year – Overall**  
Morningstar 2021 Awards, Australia.

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