

## Fund Update December 2025

### Market Commentary

U.S. equities delivered mixed performance in December, with the S&P 500 Index largely flat (+0.1%), while the NASDAQ Composite edged lower (-0.5%), reflecting continued dispersion within technology stocks. The U.S. Federal Reserve decreased rates by 25 basis points to 3.50%-3.75% while labour market data showed the unemployment rate at 4.6%. In Europe, equity markets posted solid gains over the month; the Euro STOXX 50 and Germany DAX total return indices returned +2.3% and +2.7%, respectively over December, supported by resilient cyclical sectors and expectations that the European Central Bank would remain on hold in the near term. Australian equities also moved higher in December (S&P/ASX 300 Index +1.4%).

### Fund Update and Outlook

The Hyperion Global Growth Companies PIE Fund returned -0.5% (net of fees) in December, underperforming its MSCI World Net Total Return Index (NZD) benchmark by 1.1%. Palantir Technologies Inc., NVIDIA Corporation, and Axon Enterprise Inc saw the strongest share price performance, while ARM Holdings, ServiceNow, Inc., and Costco Wholesale Corporation saw the largest declines.

December marked the end of a turbulent year for the Global PIE Fund. 2025 encapsulated the full spectrum of market dynamics. The year began with exceptional momentum as markets absorbed Trump 2.0 administration's "America First" policies, weathered significant turbulence during April's "Liberation Day" tariff announcements, and finished with evidence mounting that artificial intelligence (AI) represents a genuine paradigm shift rather than speculative excess.

The defining narrative of 2025 was AI's transition from theoretical potential to demonstrable commercial monetisation. Over 80% of the Global Fund has direct optionality to emerging AI revenue streams, and this year marked the inflection point where that optionality crystallised into tangible financial results. Third-quarter earnings season proved transformational, with portfolio companies delivering approximately 20% revenue growth and 35% earnings per share growth, maintaining the above-30% earnings momentum witnessed in recent years.

Late-year technical selloffs in quality structural growth stocks, driven by AI disruption fears and indiscriminate rotation into lower-quality opportunities, created compelling entry points. We believe the market is systematically underestimating AI's long-term earnings impact on quality businesses. Read more on our view [here](#).

Looking ahead, the Fund's forecast 25% per annum earnings per share growth over the next decade positions investors to benefit from what we believe will be the defining technological transformation of our generation. With AI monetisation accelerating, autonomous vehicles commercialising, and humanoid robots entering production in 2026, we believe the hard work of identifying exceptional businesses is delivering meaningful rewards, with the most significant value creation still ahead.

More insights can be found in our latest webinar AI, Bubble or Next Inflection Point? [here](#).

### Fund Features

- High-conviction portfolio of quality, structural growth global listed equities from a research driven, bottom-up investment philosophy

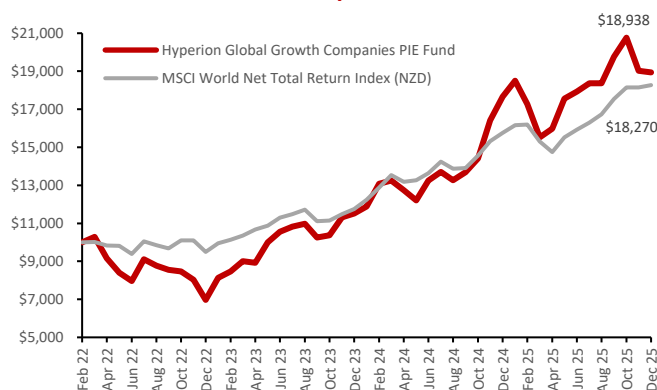
### We believe companies in our portfolio have:

- 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
- Innovative organisational cultures

### Time Arbitrage Advantage

We employ a 10-year forward looking valuation framework in a world dominated by short-term thinking.

### 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	Admin
Apex	NZX Wealth Technologies

### Fund Performance

	Portfolio – Net (%)	Benchmark <sup>^</sup> (%)	Excess Performance (%)
1 Month	-0.5	0.6	-1.1
3 Months	-4.1	4.1	-8.3
6 Months	5.5	16.8	-11.2
1 Year	7.2	18.0	-10.8
2 Year	28.2	25.8	2.4
3 Year	39.5	25.1	14.4
Inception (p.a.)*	18.1	17.5	0.5
Inception (TR)**	89.2	85.9	3.3

\*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 31<sup>st</sup> December 2025.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Tesla, Inc.	12.3	1.5
Microsoft Corporation	10.9	4.1
NVIDIA Corporation	9.7	5.5
Amazon.com, Inc.	8.8	2.7
Palantir Technologies Inc	6.8	0.5

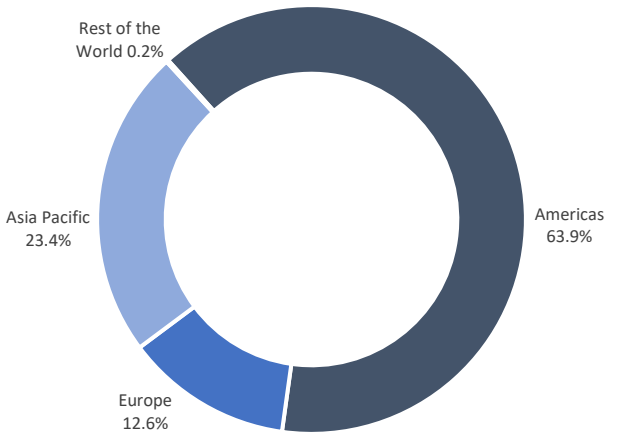
Companies shown are illustrative only and not a recommendation to buy or sell any particular security.

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	10.6	8.8
Consumer Discretionary	23.7	10.0
Consumer Staples	3.2	5.3
Financials	9.0	17.1
Health Care	3.0	9.8
Industrials	2.0	11.1
Information Technology	46.7	27.1
Cash	1.9	--

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	1.6	2
\$50 - \$100b	7.4	3
\$100b +	89.2	16
Cash	1.9	--
Total	100	21

Due to rounding, portfolio weights may not sum perfectly to 100.0%.  
All data as at 31<sup>st</sup> December 2025. Source: Hyperion Asset Management

Top Contributors and Detractors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Palantir Technologies, Inc.	129.0	6.4	6.6
NVIDIA Corporation	90.4	4.7	2.4
Tesla, Inc	8.5	12.5	2.3
Spotify Technology SA	26.5	6.6	2.1
ASML Holding NV	50.4	5.2	1.8

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Block, Inc.	-25.4	6.0	-3.3
ServiceNow, Inc.	-29.6	7.8	-2.3
ARM Holdings PLC	-17.0	2.2	-1.4
Workday, Inc.	-18.9	3.0	-1.0
Salesforce, Inc.*	-25.8	0.7	-0.4

\*Company no longer held in the portfolio

Portfolio Characteristics

	Portfolio
Number of Holdings	21
Top 10 Security Holdings (%)	75.2
Dividend Yield (%)*	0.2
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 (31/12/2025)	\$128.2 million
NAV Price (31/12/2025)	\$1.8887

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

### Costco Wholesale Corporation (COST-US)

Primary Exchange  
GICS Sector  
Market Cap (US\$ m)

NASDAQ  
Consumer Staples  
382,766



Costco Wholesale Corporation (Costco) had a strong December, with sales beating market expectations and growing sequentially on an unadjusted basis, but slightly slower when removing Gas and FX. Net Sales were up 8.5% to US\$29.86bn. Group comparable (comp) sales increased by 7.0% or 6.2% on an adjusted basis, excluding changes in FX and Gas. This was driven by an increase in the average transaction. US comp sales were up 6.0% or 6.3% on an adjusted basis, Canada was up 8.4% or 6.0% adjusted, while Other International was up 10.6% or 5.6% adjusted. Digitally-enabled sales were up 18.9% or 18.3% adjusted. Gas price deflation negatively impacted comp sales by 0.4%, with the average worldwide selling price per gallon being down 4.4%. Global traffic was up 2.7% and up 2.4% in the US. FX positively impacted Canada's comp sales by 3.5%, Other International by 5.4%, and Total Company by 1.2%. The average transaction was up 4.2% globally and 3.4% adjusted. From a category perspective, Food and Sundries were up mid-single digits, Fresh Food was up high single digits, Non-Foods were up mid-single digits, and Ancillary businesses were up mid-single digits. The negative impact of cannibalisation due to opening new warehouses was 50bps.

### ServiceNow, Inc. (NOW-US)

Primary Exchange  
GICS Sector  
Market Cap (US\$ m)

NASDAQ  
Information Technology  
159,071



In late December, ServiceNow, Inc. (ServiceNow) announced that it had entered into an agreement to acquire a leading cyber exposure management and cyber-physical security company called Armis for US\$7.75b in cash. Unlike other companies that focus purely on IT assets, Armis manages cyber risk across the full attack surface in IT, operational technology, medical devices, and other environments for companies, governments, and critical infrastructure worldwide. The company was founded in 2015 and has over US\$340m in annual recurring revenue growing more than 50% year-on-year. The acquisition of Armis aims to enhance ServiceNow's security, risk, and operational technology portfolios in the fast-growing cybersecurity space, and more than triples the market opportunity for the company in this segment. The transaction is expected to close in the second half of 2026.

## Quarterly Stock Spotlight

### ARM Holdings PLC (ARM-US)

Primary Exchange	NASDAQ
GICS Sector	Information Technology
Market Cap (US\$m)	115,978



ARM Holdings PLC (ARM) is a global technology company founded in 1990 as a joint venture between Acorn Computers, Apple Computer, and VLSI Technology. ARM provides Instruction Set Architectures (ISAs), or more simply described as blueprints, to technology hardware manufacturers, enabling the design of Central Processing Units (CPUs). Their intellectual property is found in consumer devices as simple as an iPhone charger right through to powering AI or accelerated data centres in the form of Nvidia's latest GB200 Graphic Processing Units (GPUs). ARM estimates that its products touch ~70% of the world's population, with its customers having shipped 310bn+ ARM-based chips since inception, or c.31bn alone in FY25. ARM's business model is based on intellectual property licensing whereby revenue is generated in the form of upfront fees and ongoing royalties tied to technology powered by its chips. The company was first listed on both the London and Nasdaq Stock Exchanges from 1998 to 2016 at which time Softbank took the company private. In 2023, the company returned to the Nasdaq, with Softbank retaining a majority shareholding (90% of shares outstanding). ARM is headquartered in Cambridge, England.

#### Hyperion's View

The world's demand for compute is exponentially increasing, a key hurdle to expansion however is power intensity. ARM cores not only offer market-leading performance but, more importantly, do so in an energy-efficient manner. Beyond this, it is important that a common language be used to ensure compatibility across both hardware and software applications. There are 22 million developers who today write code that runs on ARM-based CPUs; this means the ecosystem has now matured to a level similar to Intel's x86 platform. ARM's value proposition was initially most attractive to companies producing mobile devices i.e. smartphones and tablets. Battery life is critical and size constraints meant reducing consumption of energy was the simplest means by which to extend it. Over time, performance per watt has become increasingly important across a broad range of applications, including more recently data centers. The company's robust and defensible value proposition, alongside the unfolding AI paradigm shift, has resulted in an extended and attractive runway for growth.

ARM operates in an oligopolistic market where it competes with Intel's closed ecosystem x86 architecture, and with a free open-source ISA framework called RISC-V. Barriers to entry are high, not only requiring substantial expenditure but also the cooperation from an extensive network of hardware and software partners to create a supporting and interoperable ecosystem for the new architecture, something that would take decades to develop. ARM has relationships with the largest technology companies that have built expertise in utilising its ISAs, resulting in high switching costs.

Hyperion believes the company's success in mobile, with a market share of over 99%, will be replicated across the cloud and data center industry, the automotive industry as cars become smart, and the Internet of Things, as devices of all kinds become increasingly intelligent. Beyond this, humanoid bots represent significant upside, as the number of chips per bot is likely to be multiples of more basic use cases. We believe the company is positioned well to benefit from numerous structural tailwinds and drive sustained earnings per share growth over the long term.

**CONTACT US**

**HYPERION DISTRIBUTION**

Jolon Knight  
Tel: +61 (0) 414 805 862  
Jolon.knight@hyperion.com.au

**PINNACLE DISTRIBUTION - NZ**

David Batty  
Tel: +64 (0) 21 2888 0303  
David.batty@pinnacleinvestment.com

**FUNDROCK NZ LIMITED**

Tel: +64 (0) 4 499 9654  
contact@fundrock.com



**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.

**DISCLAIMER – HYPERION GLOBAL GROWTH COMPANIES PIE FUND**

This Fact Sheet is provided by Hyperion Asset Management Limited (Hyperion) in good faith and is designed as a summary to accompany the Product Disclosure Statement for the Hyperion Investment Funds (Funds). The Product Disclosure Statement is available from Hyperion on <https://www.hyperion.com.au>, or the issuer FundRock NZ Limited (FundRock) on <http://www.fundrock.com>, and on <https://disclose-register.companiesoffice.govt.nz>.

The information contained in this Fact Sheet is not an offer of units in the Funds or a proposal or an invitation to make an offer to sell, or a recommendation to subscribe for or purchase, any units in the Funds. If you are making an investment directly then you will be required to complete the application form, which can be obtained from the Manager, FundRock. The information and any opinions in this Fact Sheet are based on sources that Hyperion believes are reliable and accurate. Hyperion, its directors, officers and employees make no representations or warranties of any kind as to the accuracy or completeness of the information contained in this fact sheet and disclaim liability for any loss, damage, cost or expense that may arise from any reliance on the information or any opinions, conclusions or recommendations contained in it, whether that loss or damage is caused by any fault or negligence on the part of Hyperion, or otherwise, except for any statutory liability which cannot be excluded. All opinions reflect Hyperion's judgment on the date of this Fact Sheet and are subject to change without notice. Any projections contained in this presentation are estimates only and may not be realised in the future. This disclaimer extends to FundRock, and any entity that may distribute this publication.

The information in this Publication is not intended to be financial advice for the purposes of the Financial Markets Conduct Act 2013, as amended by the Financial Services Legislation Amendment Act 2019. In particular, in preparing this document, Hyperion did not take into account the investment objectives, financial situation and particular needs of any particular person. Professional investment advice from an appropriately qualified adviser should be taken before making any investment.

Past performance is not necessarily indicative of future performance, unit prices may go down as well as up and an investor in the fund may not recover the full amount of capital that they invest. Unless otherwise specified, all amounts are in NZD, noting market commentary and stock commentary figures are in local currency. Due to rounding, numbers presented throughout this report may not sum precisely to the total indicated and performance percentages may not precisely reflect the absolute returns

This may contain the trade names or trademarks of various third parties, and if so, any such use is solely for illustrative purposes only. All product and company names are trademarks™ or registered® trademarks of their respective holders. Use of them does not imply any affiliation with, endorsement by, or association of any kind between them and Hyperion.

FundRock is the issuer and manager of the Funds. Hyperion is in the investment manager of the Funds. No part of this document may be reproduced without the permission of Hyperion or FundRock.

This communication is for general information only. It is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment.

Morningstar Awards 2025 ©. Morningstar, Inc. All Rights Reserved.

Awarded to Hyperion Asset Management for Overall Fund Manager of the Year, Australia.

Awarded to Hyperion Australian Growth Companies Fund for Fund Manager of the Year – Domestic Equities – Large Cap, Australia.

Awarded to Hyperion Small Growth Companies Fund for Fund Manager of the Year - Domestic Equities - Small Caps, Australia.

Awarded to Hyperion Global Growth Companies Fund for Fund Manager of the Year – Global Equities , Australia.

Morningstar Awards 2024 ©. Morningstar, Inc. All Rights Reserved.

Awarded to Hyperion Asset Management for Overall Fund Manager of the Year, Australia.

Awarded to Hyperion Small Growth Companies fund for Fund Manager of the Year - Domestic Equities - Small Caps, Australia.

Morningstar Awards 2021 ©. Morningstar, Inc. All Rights Reserved.

Awarded to Hyperion Asset Management for Overall Fund Manager of the Year, Australia.

Awarded to Hyperion Asset Management for Fund Manager of the Year – Domestic Equities – Large Cap.

Awarded to Hyperion Asset Management for Fund Manager of the Year - Domestic Equities - Small Caps, Australia.

Morningstar Awards 2020 ©. Morningstar, Inc. All Rights Reserved.

Awarded to Hyperion Asset Management for for Fund Manager of the Year – Domestic Equities – Large Cap.

Hyperion neither provided nor was given compensation in relation to the above-mentioned award/s, however Hyperion pays a licensing fee in order to be able to display awards' logos. Disclaimers specific to awards received by Hyperion can be viewed at: <https://www.hyperion.com.au/awards-and-ratings>