

Fund Update May 2025

Market Commentary

Global equity markets were higher in May, largely retracing the selloff from earlier in the year, amid a temporary reduction in tariffs between the U.S. and China, reported progress on U.S. trade negotiations and resilient corporate earnings. The S&P 500 total return index finished the month +6.3% higher, while the Euro STOXX 50, Germany DAX, and FTSE 100 total return indices returned +5.4%, +6.7%, and +3.8%, respectively over May.

Domestically, the S&P/ASX 300 total return index ended +4.2% higher in May, extending the recovery that began in April sparked by U.S. President Trump's 90-day tariff pause.

Information Technology (+10.6%), Communication Services (+9.0%), and Industrials (+8.3%) were the top performing MSCI World Index sectors, while Health Care (-3.6%), Real Estate (+1.7%) and Consumer Staples (+1.6%) were the worst performing sectors over the month.

Information Technology (+18.8%), Energy (+8.7%) and Communication Services (+5.4%) were the top performing S&P/ASX 300 sectors, while Utilities (+0.3%), Consumer Staples (+1.2%) and Health Care (+1.4%) were the worst performing sectors over the month.

Fund Update and Outlook

The Hyperion Australian Growth Companies PIE Fund returned 7.7% (net of fees) in May, outperforming its benchmark (S&P/ASX 300 Accumulation Index (NZD)) by 3.8%. Technology One Ltd., Pro Medicus Ltd. and Wisetech Global Ltd. saw the strongest share price performance, while Nanosonics Ltd., Domino's Pizza Enterprises Ltd. and Guzman y Gomez Ltd. saw the largest declines.

The Hyperion Australian Growth Strategy produced strong results during the month. Fear and speculation led by U.S. tariff policies subsided in May and focus returned to underlying company fundamentals. Equity markets also benefited from a 25 basis point rate cut from the Reserve Bank of Australia, which was in-line with market expectations.

Throughout the month several companies reported their financial results and trading updates, with solid results released by Fisher & Paykel Healthcare Corporation Ltd., Xero Ltd., REA Group Ltd. and Life360, Inc. Life360, Inc. is a recent addition to the Australian Growth Strategy, after being successfully incubated in our Small Growth Companies Strategy. Read our company profile on Life360, Inc. [here](#).

The Australian Growth Strategy has seen its long-term intrinsic value increase approximately 20% over the past year, as our portfolio companies have generally improved their estimated long-term earnings during this period. This increase in the portfolio valuation, combined with recent short-term price volatility, has also led to an increase in the forecast 10-year internal rate of return (IRR). Given the current elevated forecast IRR, we are positive about the long-term return outlook for the Australian Growth Strategy.

Watch our latest insights in our June webinar [HERE](#).

Fund Features

- High-conviction portfolio of quality Australian listed equities from a research driven, bottom-up investment philosophy
- Benchmark unaware
- Leverage not permitted
- Assets held in New Zealand for PIE fund benefits

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

Platform Availability

FNZ	Adminis
Apex	NZX Wealth Technologies

Fund Performance

	Portfolio – Net (%)	Benchmark [^] (%)	Excess Performance (%)
1 Month	7.7	3.9	3.8
3 Months	0.6	1.3	-0.7
6 Months	-9.1	-0.7	-8.4
Inception (TR) [#]	10.4	8.3	2.0

*Inception date: 9th July 2024.

[^]S&P/ASX 300 Accumulation Index (NZD).

[#] 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.

Performance as at 31st May 2025.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Xero Ltd	9.9	1.0
Cochlear Ltd	9.2	0.7
Wisetech Global Ltd	8.3	0.8
CSL Ltd	6.9	4.6
Fisher & Paykel Healthcare	6.6	0.2

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

Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	6.5	4.1
Consumer Discretionary	5.7	7.9
Financials	19.5	33.5
Health Care	35.2	9.4
Industrials	0.7	7.6
Information Technology	24.8	3.5
Materials	3.5	18.4
Real Estate	2.4	6.9
Cash	1.9	--

Market Capitalisation

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	18.8	59.4	-40.6	4
S&P/ASX 21-50	42.5	17.9	24.6	9
S&P/ASX 51-100	28.7	12.0	16.7	6
S&P/ASX 101-200	7.3	7.8	-0.5	4
S&P/ASX 201-300	0.7	2.8	-2.1	1
Ex S&P/ASX 300	--	--	--	--
Cash	1.9	--	1.9	--
Total	100	100	--	24

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

Top Contributors and Detractors (Since Inception)^

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Technology One Ltd	118.4	3.6	3.0
HUB24 Ltd	76.6	4.2	2.6
Xero Ltd	33.8	9.8	2.5
Wisetech Global Ltd	6.2	8.3	2.4
Resmed, Inc.	29.8	5.6	1.8

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
CSL Ltd	-18.9	6.5	-1.4
James Hardie Industries	-25.6	3.6	-1.0
Domino's Pizza Enterprises	-36.8	2.3	-0.9
Block, Inc.	-1.5	8.8	-0.9
Cochlear Ltd	-16.8	7.1	-0.8

^Inception date: 9th July 2024.
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Fund Facts

Name	Hyperion Australian Growth Companies PIE Fund
Inception Date	9 th July 2024
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 ¹	0.95% p.a. + GST
Buy/Sell Spread	0.30%/0.30%
Performance Fee	--
Benchmark	S&P/ASX 300 Accumulation Index (NZD)
Min initial investment	\$20,000
Fund AUM (31/05/2025)	\$56.6 million
NAV Price (31/05/2025)	\$1.1123

1. As a percentage of the net asset value of the Fund per annum.

Portfolio Holdings Update

REA Group Ltd (REA-AU)

Primary Exchange

ASX

GICS Sector

Communication Services

Market Cap (\$m)

31,670



REA Group Ltd. (REA) reported their 3Q25 result with revenue increasing 12% and EBITDA also increasing 12%. Listings for the quarter were flat on the prior period with revenue growth benefiting from a 15% increase in yield, partially offset by a 3% negative impact from revenue deferral. REA continue to build their lead over Domain, recording 12.6m visitors in March, of which, 6.4m visitors are exclusive to REA. REA provide significant value to real estate agents and are instrumental in the property buying and selling process. With additional value being provided to agents, REA have increased pricing in the high single digit percentage range. Despite annual price increases by property classifieds businesses, the overall industry take rate relative to the price of a property transaction has not materially changed over the past 10 years given the growth in property prices.

Xero Ltd (XRO-AU)

Primary Exchange

ASX

GICS Sector

Information Technology

Market Cap (\$m)

28,311



Xero Ltd. (Xero) released its financial results for FY25. The company reported 20% revenue growth at constant currency to NZ\$2.1bn, with a roughly even split between subscriber growth and growth in average revenue per subscriber. Pleasingly, each of the key geographies, Australia, United Kingdom and United States, grew revenue by at least 20%. A key focus of the new management team has been on profitable growth, and the company reported 48% growth in free cash flow, which resulted in 44.3% on the 'Rule of 40' (combination of revenue growth rate plus free cash flow margin). The company continues to invest heavily in product development, with total product design and development costs (including capitalised expenses) increasing 25% year-on-year. The company announced new releases across the key focus areas of Accounting, Payroll and Payments, as well as release of its Gen AI powered 'business companion', JAX (Just Ask Xero).

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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.



Awarded Fund Manager of the Year – Domestic Equities Large Cap Category
Morningstar 2021 Awards, Australia.



Awarded Fund Manager of the Year – Domestic Equities Large Cap Category
Morningstar 2020 Awards, Australia.

DISCLAIMER – HYPERION AUSTRALIAN GROWTH COMPANIES PIE FUND

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