

## 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 Australian Growth Companies PIE Fund returned -4.4% (net of fees) in December, underperforming its benchmark (S&P/ASX 300 Accumulation Index (NZD)) by 7.1%. Goodman Group, Macquarie Group Ltd., and Sigma Healthcare Ltd. saw the strongest share price performance, while Pro Medicus, Ltd., Life360, Inc., and CAR Group Limited saw the largest declines.

The 2025 calendar year proved challenging for the Hyperion Australian Growth Companies PIE Fund. The year began with exceptional momentum as markets absorbed Trump 2.0 administration's "America First" policies and weathered significant turbulence during April's "Liberation Day" tariff announcements. However, over the last six months, the Australian market experienced an aggressive technical selloff out of quality structural growth companies driven by AI disruption fears and an indiscriminate rotation into lower-quality cyclical companies and speculative opportunities. We believe the market is systematically underestimating AI's long-term earnings impact on quality businesses. Read more on our view [here](#).

The performance of the S&P/ASX 300 Index (the Fund's benchmark) over 2025 was predominantly driven by Materials, traditional Financials (Major Banks) and Industrials sectors characterised by lower-quality, economically sensitive revenue streams with limited long-term predictability. Hyperion maintains limited exposure to these areas, consistent with our focus on high-quality structural growth businesses with more predictable, compounding earnings trajectories.

Over the long term, quality structural growth companies have delivered significant annual returns; however, over the past six months, these companies have been sold to fund areas of the market that have historically underperformed, a pattern we believe is unsustainable for wealth creation.

Drawdowns can typically occur every three to five years for quality growth strategies, driven primarily by sector and style dynamics rather than deteriorating fundamentals within our portfolio holdings. Despite share price weakness, the Fund's portfolio fundamentals strengthened materially over the year. During the August reporting season, over 40% of our portfolio companies experienced increases in intrinsic value or increases in our confidence in achieving those valuations. The Fund's forecast 19% per annum earnings per share growth over the next decade substantially exceeds our historical 10% average, supported by higher-quality businesses with more structural growth than historically characterised the portfolio.

The Fund's current 10-year forecast internal rate of return sits at approximately 20% per annum pre-fees, which is significantly above the long-term historical average, representing what we believe is an attractive entry point for long-term investors. We remain confident this technical correction will prove temporary, with the portfolio well-positioned to deliver strong returns as market sentiment normalises toward fundamentals and quality reasserts itself over speculation.

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

# Hyperion Australian Growth Companies PIE Fund

### Fund Features

- High-conviction portfolio of quality, structural growth Australian listed equities from a research driven, bottom-up investment philosophy
- Assets held in New Zealand for PIE fund benefits

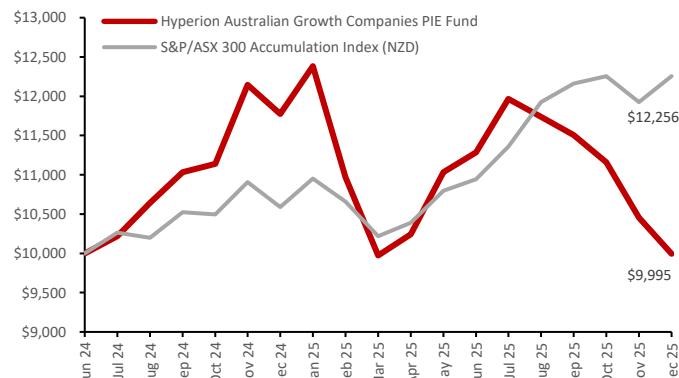
### We believe companies in our portfolio have:

- 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
- 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: 9<sup>th</sup> July 2024. 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>A</sup> (%)	Excess Performance (%)
1 Month	-4.4	2.8	-7.1
3 Months	-13.1	0.8	-13.9
6 Months	-11.4	12.0	-23.4
1 Year	-15.1	16.1	-31.2
Inception (p.a.)*	0.0	15.0	-15.0
Inception (TR)**	-0.1	23.0	-23.0

\*Inception date: 9<sup>th</sup> July 2024.

<sup>A</sup>S&P/ASX 300 Accumulation 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.

Performance as at 31<sup>st</sup> December 2025.

**Top 5 Holdings**

	Portfolio (%)	Benchmark (%)
Wisetech Global Ltd	10.3	0.5
Cochlear Limited	8.8	0.6
Xero Limited	8.1	0.7
Fisher & Paykel Healthcare Corp. Limited	7.9	0.2
Block, Inc.	7.2	0.1

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

**Sector Allocation**

	Portfolio (%)	Benchmark (%)
Communication Services	5.7	3.7
Consumer Discretionary	3.8	7.5
Financials	22.2	32.8
Health Care	30.7	7.2
Industrials	0.5	7.7
Information Technology	29.8	2.8
Materials	3.3	23.1
Real Estate	2.5	6.8
Cash	1.6	--

**Market Capitalisation**

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	10.7	58.6	-47.8	4
S&P/ASX 21-50	48.8	17.1	31.7	10
S&P/ASX 51-100	34.0	12.7	21.4	6
S&P/ASX 101-200	3.8	8.7	-4.9	2
S&P/ASX 201-300	1.0	3.0	-2.0	1
S&P/ASX 300	--	--	--	--
Cash	1.6	--	1.6	--
<b>Total</b>	<b>100</b>	<b>100</b>	<b>--</b>	<b>23</b>

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 (%)
HUB24 Ltd	45.1	5.6	1.7
Macquarie Group Ltd	-3.8	5.7	0.2
Sigma Healthcare Ltd	5.2	4.3	0.2
Nanosonics Limited	38.4	0.8	0.2
Brambles Limited	25.2	0.6	0.1
Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Block, Inc.	-27.2	7.2	-3.3
Wisetech Global Ltd	-40.7	8.4	-2.8
Xero Limited	-29.0	9.6	-2.6
CSL Limited	-35.7	5.5	-1.9
Guzman y Gomez Ltd	-44.0	2.9	-1.6

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

\*Company no longer held in the portfolio

**Fund Facts**

Name	Hyperion Australian Growth Companies PIE Fund
<b>Inception Date</b>	9 <sup>th</sup> July 2024
<b>Manager and Issuer</b>	FundRock NZ Limited
<b>Investment Manager</b>	Hyperion Asset Management Limited
<b>Registry</b>	Apex Investment Administration (NZ) Limited
<b>Custodian and Administrator</b>	BNP Paribas Fund Services Australasia
<b>Legal Structure</b>	New Zealand unit trust which has elected to be a Portfolio Investment Entity
<b>Dealing Frequency</b>	Daily, each NZ business day (T settlement)
<b>Dealing Deadline</b>	2:00pm (NZST) on T
<b>Distribution Policy</b>	Accumulating
<b>Base Currency</b>	New Zealand Dollar, Unhedged
<b>Fixed Annual Fund Charges<sup>1</sup></b>	0.95% p.a. + GST
<b>Buy/Sell Spread</b>	0.30%/0.30%
<b>Performance Fee</b>	--
<b>Benchmark</b>	S&P/ASX 300 Accumulation Index (NZD)
<b>Min initial investment</b>	\$20,000
<b>Fund AUM (31/12/2025)</b>	\$63.0 million
<b>NAV Price (31/12/2025)</b>	\$1.0085

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

## Portfolio Holdings Update

### Netwealth Group Ltd. (NWL-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (AU\$m)	6,299



December included the announcement made by Netwealth Group Ltd. (Netwealth) that it had agreed to pay compensation to members of the Netwealth Superannuation Master Fund who have suffered loss through the collapse of the First Guardian Master Fund after reaching agreement with ASIC. The total value of the compensation payment is estimated to be AUD101 million, with the one-off impact on net profit after tax of approximately AUD71 million to be recorded in the 1H26 accounts. Compensation payments will be credited to member super accounts by 30 January 2026, with the compensation to be funded through a mixture of cash and debt. ASIC has now concluded its investigation into the Netwealth group, with the resolution including ASIC commencing proceedings in the Federal Court in which Netwealth Investment Limited and Netwealth Superannuation Services Pty Limited will each admit to contravention of the s912A(1)(a) and 912A(5A) of the Corporations Act – ASIC has agreed not to seek any penalties from the Court. In light of the above, Netwealth has noted the importance of reviewing and further uplifting the onboarding and monitoring processes involved in making investment options available to its members. This uplift will be overseen by an independent expert.

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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.

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