

Fund Update January 2026

Fund Performance

	Portfolio – Net (%)	Benchmark [^] (%)	Excess Performance (%)
1 Month	-4.4	1.7	-6.1
3 Months	-14.4	1.7	-16.1
6 Months	-20.2	9.7	-29.9
1 Year	-22.8	13.1	-35.9
Inception (p.a.)*	-2.9	15.3	-18.2
Inception (TR) ^{*#}	-4.5	25.0	-29.5

*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 January 2026.

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.

Platform Availability

FNZ	Adminis
Apex	NZX Wealth Technologies

Market Commentary

U.S. equity indices were higher through January, with the S&P 500 rising by 1.5% while the NASDAQ Composite Index rose 1.0%. Geopolitics dominated headlines, including the U.S. capture of Venezuelan President Nicolas Maduro, ongoing protests in Iran, and rising tensions between the U.S. and its European allies over control of Greenland. The U.S. Federal Reserve held interest rates at 3.5-3.75% at its January meeting. In Europe, the FTSE 100, Euro STOXX 50, and Germany DAX total return indices rose 3.0%, 2.8%, and 0.2%, respectively, supported by resilient macroeconomic data. Australian equities also moved higher with the S&P/ASX 300 Accumulation Index rising 1.7% over the month. The U.S. dollar weakened against all G10 currencies over the month.

Energy (+11.1%), Materials (+9.4%) and Health Care (+1.9%) were the top performing S&P/ASX 300 sectors, while Information Technology (-9.1%), A-REIT (-2.7%) and Communication Services (-1.8%) were the worst performing sectors over the month.

Fund Update and Outlook

The Hyperion Australian Growth Companies PIE Fund returned -4.4% (net of fees) in January, underperforming its benchmark (S&P/ASX 300 Accumulation Index (NZD)) by 6.1%. James Hardie Industries plc, Lovisa Holdings Ltd. and HUB24 Ltd. saw the strongest share price performance, while Life360 Inc, Xero Ltd. and Pro Medicus Ltd. saw the largest declines.

The past six months have been a particularly challenging period for the Hyperion Australian Growth Companies PIE Fund. The underperformance has been partly driven by a market rotation away from quality structural growth companies toward lower-quality cyclical companies and more speculative opportunities, supported by improving expectations for real economic growth in the U.S. and higher inflation and higher bond yields particularly in Australia. This underperformance has continued into January, with software companies experiencing broad selling pressure. High growth SaaS and technology stocks have declined as investors assess the implications of rapid advances in AI and what this may mean for the durability and trajectory of future long-term earnings.

The sell-off in software companies has been broad and largely indiscriminate, driven by a general belief that these businesses are likely to be disrupted by large language models (LLMs). We believe there are three key criteria for a SaaS business to defend against LLMs. Firstly, there needs to be a recognition by management that there is a paradigm shift occurring where core value add is moving from traditional software to AI-based software. In this environment the cadence of innovation needs to accelerate, and these companies need to rapidly develop and use AI-based tools to gain efficiencies and release new AI-based products and features. Secondly, there needs to be sufficient depth and breadth in the offering such that it is difficult for LLMs to map processes and build agent tools. Finally, the businesses need first-party data that is unique and cannot be accessed by LLMs online.

In the current market environment, the first of these criteria is critical: companies must innovate rapidly, adopt AI tools, as well as execute and communicate their strategies effectively; incremental change is not sufficient in a highly dynamic and competitive, AI-first world. While dominant, market-leading software companies that provide mission-critical systems, utilise complex workflows and possess first-party proprietary data should continue to thrive in an AI-first environment, there are multiple potential pathways for how the future may evolve and at what pace; the predictability of their long-term earnings streams has therefore decreased.

We have lowered the exposure to software companies in the portfolio alongside the sell-off in share prices to reflect the increased uncertainty relating to our forecast long-term returns. We have retained exposure to leading software businesses that provide mission-critical systems, currently have no credible competition, possess first-party proprietary data, complicated workflows and network effects. If management teams adapt and quicken their pace of innovation, their revenue and earnings should accelerate in an AI world. Our lower weights reflect their current approach to incrementally adapt rather than aggressively utilise and create AI based tools and products. We will be looking for evidence that these companies are executing effectively and accelerating their pace of innovation, and we are providing this feedback to portfolio companies.

Following the recent correction in structural growth stocks, valuation metrics have become increasingly compelling. Hyperion's investment strategy and investment process remain unchanged; we invest in high-quality structural growth companies with the highest forecast long-term risk-adjusted returns. The Australian Growth Companies PIE Fund's forecast internal rate of return over the next decade sits at approximately 21% per annum pre-fees and the Fund's projected earnings per share growth over the next decade stands at 18% per annum. We believe the market is underappreciating the long-term growth and earnings profiles of our companies.

Top 5 Holdings

	Portfolio (%)	Benchmark (%)
Cochlear Limited	9.4	0.6
Wisetech Global Ltd	9.1	0.4
Fisher & Paykel Healthcare Corp. Limited	9.1	0.2
HUB24 Limited	7.6	0.3
Block, Inc.	7.3	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	3.5
Consumer Discretionary	4.1	7.4
Financials	23.5	31.8
Health Care	33.2	7.3
Industrials	1.3	7.5
Information Technology	23.9	2.4
Materials	3.6	24.9
Real Estate	3.1	6.5
Cash	1.5	--

Market Capitalisation

	Pf (%)	Bm (%)	Act. (%)	# Stocks
S&P/ASX 1-20	12.0	58.5	-46.4	4
S&P/ASX 21-50	46.2	17.1	29.1	10
S&P/ASX 51-100	35.0	12.6	22.4	7
S&P/ASX 101-200	4.1	8.9	-4.8	2
S&P/ASX 201-300	1.0	2.9	-1.9	1
S&P/ASX 300	--	--	--	--
Cash	1.5	--	1.5	--
Total	100	100	--	24

Due to rounding, portfolio weights may not sum perfectly to 100.0%. All data as at 31st January 2026. Source: Hyperion Asset Management

Top Contributors and Detractors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
HUB24 Ltd	32.1	5.8	1.5
Sigma Healthcare Ltd	10.4	4.7	0.4
Fisher & Paykel Healthcare Corp. Limited	2.8	7.5	0.3
Lovisa Holdings Ltd.	11.8	1.6	0.2
Brambles Limited	18.8	0.6	0.1

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Xero Limited	-46.3	9.3	-4.7
Block, Inc.	-38.9	6.9	-4.7
Wisetech Global Ltd	-50.8	8.6	-4.4
CSL Limited	-32.1	5.2	-1.7
Life360, Inc.	-8.6	2.8	-1.6

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*Company no longer held in the portfolio

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 Charges¹	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 (31/01/2026)	\$60.5 million
NAV Price (31/01/2026)	\$0.9640

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

Portfolio Holdings Update

Life360, Inc. (360-AU)

Primary Exchange	ASX
GICS Sector	Information Technology
Market Cap (AU\$m)	6,411



Life360, Inc. (Life360) provided a trading update and initial 2026 Monthly Active User (MAU) guidance to the market earlier in the month. The company expects to deliver USD\$486-489 million of revenue up 31-32% Year-over-Year (YoY), USD\$87-92 million of adjusted EBITDA up 91-102% YoY, and closed the year with 96 million MAUs up 20% YoY. MAU growth for 2026 is expected to sustain at 20%, implying a 2026 year-end total of 115 million users. The company also completed its acquisition of Nativio, a business that will significantly accelerate Life360's advertising efforts. We remain of the view the company's core subscription and advertising businesses are underappreciated by the market with both top and bottom-line outcomes to materialise over the course of the next 12-24 months. The company will report full year 2025 earnings on the 3rd of March, at which point we expect further details on the year passed and more granular guidance for 2026 to be provided.

Netwealth Group Ltd. (NWL-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (AU\$m)	6,007



Netwealth Group Ltd. (Netwealth) released its 2Q26 business update during January, reporting quarterly gross flows of A\$8.4bn (+10% pcp) and net flows of A\$4.2bn, down 7% against a record pcp. Excluding A\$0.4b of custodial outflows from two low revenue generating institutional client accounts, underlying net inflows were A\$4.6b, representing a record quarter. This drove strong 12-month gross inflows of A\$30.3bn (+13% pcp) and net inflows of A\$15.5bn (+3% pcp). Positive market movements of A\$0.6bn during the quarter combined with A\$4.2b net inflows lifted total FUA to A\$125.6bn (+24% pcp). Total Managed Account FUM increased to A\$27.5bn (+32% pcp), supported by record quarterly net flows of A\$1.8bn (+61% pcp) and now represents 21.9% of total FUA (from 20.4% pcp). The total number of accounts increased 14% yoy to 172,221, while the average FUA per account increased 9% to A\$729k. The proportion of fee paying FUA decreased 10bps quarter-on-quarter to 59.4%. Cash transaction account balances were 5.6% of custodial FUA at 31 December 2025 (vs 6.0% at 30 September 2025) and averaged 6.0% over the December quarter. Netwealth's FY26 FUA outlook was unchanged, with management indicating FY26 FUA net flows to be broadly in line with FY25.

On 18 December 2025, Netwealth announced that it had agreed to pay A\$101m compensation to members of the Netwealth Superannuation Master Fund who suffered loss through the collapse of the First Guardian Master Fund after reaching agreement with ASIC. As part of the agreement, Netwealth has also entered an enforceable undertaking with APRA requiring an uplift of investment governance processes, to be overseen by an independent expert. This work is underway and is being led at the executive level. Netwealth appears well positioned to respond to an uplift in industry standards and practices.

HUB24 Ltd. (HUB-AU)

Primary Exchange	ASX
GICS Sector	Financials
Market Cap (AU\$m)	8,299



HUB24 Ltd (HUB24) released its 2Q26 market update during January, reporting continued strong platform net inflows of A\$5.6bn (+2% on the prior corresponding period (pcp) and +42% when normalised for large migrations in 2Q25). This resulted in 1H26 net inflows of A\$10.7bn (+13% pcp). Positive market movements during the quarter of A\$0.4bn combined with A\$5.6b of net inflows lifted Platform Funds Under Administration (FUA) to A\$127.9bn (+29% pcp). According to the latest Plan for Life data, HUB24 has consistently ranked first for quarterly and annual net inflows and had the largest annual market share gains of its platform peers. HUB24's market share increased to 9.3% as at September 2025 (up from 7.9% pcp), ranking HUB24 the sixth largest platform by FUA. Operational momentum remained strong, with 34 new distribution agreements signed during the quarter. The total number of advisers using the platform increased to 5,277 (+8% pcp). Accounts across Class Super, Class Portfolio, and Class Trust products increased during the quarter to 219,973 (+5% pcp), with Document Orders on NowInfinity increasing to 231,577 (+16% pcp). The number of companies using Corporate Messenger increased to 904,344 during the quarter (+10% pcp). There were no updates to the FY26 FUA target range of A\$123bn–A\$135bn or the FY27 FUA target range of A\$148-\$162bn, both of which appear achievable. Management reiterated that the demand from licensees and advisers continues to provide a solid pipeline of opportunities from both new and existing client relationships. During the quarter, HUB24 progressed prototyping of 'myhub' initiative, which is an ecosystem concept co-designed with financial professionals that aims to provide a single consolidated portal to materially improve efficiency and advisor workflows. Pilot launch of 'myhub' is targeted for 1HFY27.

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**Awards
2025**

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



**Awards
2024**

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



**Awards
2021**

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



**Awards
2021**

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



**Awards
2020**

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

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