



17 November 2021

***By Electronic Lodgement***

The Manager  
ASX Market Announcements  
Australian Securities Exchange Limited  
Sydney NSW 2000

Dear Sir/Madam,

**Hyperion Global Growth Companies Fund (Managed Fund) (ASX:HYGG) – Monthly Investment Update**

Please find attached a copy of the investment update for the month ending 31 October 2021.

For further information, please contact 1300 010 311.

Yours faithfully,

Calvin Kwok  
Company Secretary

**Pinnacle Fund Services Limited as responsible entity of Hyperion Global Growth Companies Fund (Managed Fund) (ASX:HYGG)**

The name of the fund was changed from Hyperion Global Growth Companies Fund – Class B to Hyperion Global Growth Companies Fund (Managed Fund) on 5 February 2021 to facilitate quotation of the fund on the ASX.



# HYPERION GLOBAL GROWTH COMPANIES FUND (MANAGED FUND)\*

**ARSN: 611 084 229 TICKER: HYG**

**OCTOBER 2021**



## Fund Features

- High-conviction portfolio of quality global listed equities from a research driven, bottom-up investment philosophy
- Benchmark unaware
- Investors can buy or sell units on ASX like any other listed security, or apply and redeem directly with the Responsible Entity

## Fund Facts

Name	Hyperion Global Growth Companies Fund (Managed Fund)
Inception Date	01/06/2014
ARSN	611 084 229
APIR Code	WHT8435AU
Ticker	HYGG
Currency	Australian Dollar, Unhedged
Mgt. Fee (% p.a.)	0.70% per annum
Buy/Sell Spread*	0.30%/0.30%
Perf. Fee (% p.a.)	20% over Benchmark, net of Mgt Fee
Benchmark	MSCI World Accumulation Index (AUD)
Fund Size (AUD)	\$2,265.4 million
NAV Price	\$4.7055
Pricing Frequency	Daily
Registry	Automtic

\*only applicable for investors who apply for units directly with the Responsible Entity

## Investors can buy or sell units on the ASX

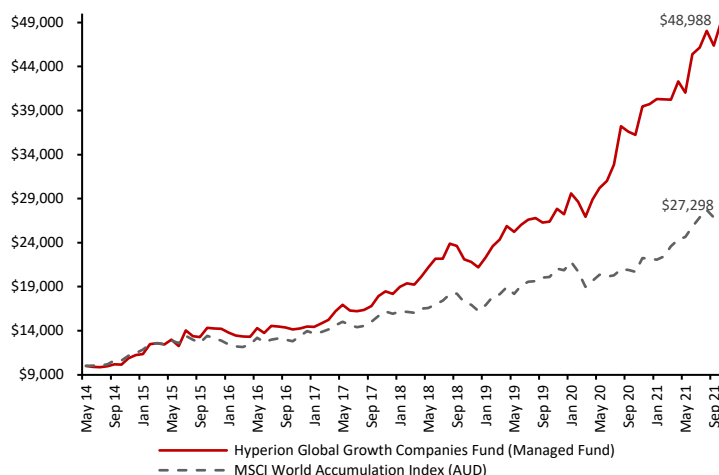
<b>Ticker</b>	HYGG	
<b>Exchange</b>	ASX	
<b>Trading Currency</b>	Australian Dollar	
<b>iNAV Provider</b>	Solactive	
<b>Market Maker</b>	Citigroup Global Markets Australia	
<b>Pricing</b>	Intra-day	
	<b>Ticker</b>	<b>iNAV Ticker</b>
Bloomberg	HYGG AU Equity	HYGGAUIV
Reuters/Refinitiv	HYGG.AX	HYGGAUDINAV=SOLA
IRESS	HYGG.AXW	HYGGAUDINAV

\*The fund changed its name from Hyperion Global Growth Companies Fund - Class B to Hyperion Global Growth Companies Fund (Managed Fund) on 5 February 2021 in order to facilitate quotation of the fund on the ASX.

## We believe companies in our portfolio have:

- Predictable earnings
- Low debt
- High interest cover
- Sustainable competitive advantages
- High return on capital
- Strong free cash flow
- Organic growth options
- Experienced and proven management teams

## Performance Chart growth of \$10,000 since inception\*



## Fund Performance\*

	Portfolio – Net (%)	Benchmark^ (%)	Excess Performance (%)
1 Month	5.7	1.6	4.0
3 Month	6.2	1.7	4.5
1 Year	35.1	31.9	3.3
3 Year (p.a.)	30.4	16.5	13.8
5 Year (p.a.)	28.2	16.4	11.8
7 Year (p.a.)	25.2	14.4	10.8
Inception (p.a.)**	23.9	14.5	9.4

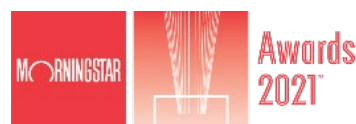
\*\*Inception date: 1<sup>st</sup> June 2014. NAV to NAV, with all distributions reinvested.

Returns are net of applicable fees and costs. Past performance is not a reliable indicator of future performance. Data as at 31<sup>st</sup> October 2021.

^ MSCI World Accumulation Index (AUD)

All p.a. returns are annualised.

Investors who apply for units directly with the Responsible Entity may pay a different price per unit to an investor who purchases those units on the ASX at the same time, and such differences may have a material impact on the performance of that investment. The above performance reflects the performance of the fund where units are purchased and redeemed directly with the Responsible Entity only.



**Hyperion named Winner  
FUND MANAGER OF THE YEAR**  
Morningstar 2021 Awards, Australia.

Please consider the Product Disclosure Statement (PDS) of the Fund, which provides more complete information on risks and fees, in its entirety and Target Market Determination (TMD) before making an investment decision. The current PDS and TMD of the Fund can be found at <https://www.hyperion.com.au/>.

## GLOBAL MARKET OVERVIEW

Global equity indices broadly rose during the month. The International Monetary Fund reduced its 2021 annual global growth forecast from 6.0% to 5.9%, warning of repercussions for global equity and housing markets as major central banks wind back pandemic related support programs. In the U.S., the S&P 500 Index returned +7.0% during October. An advance estimate revealed real gross domestic product annual growth of 2.0% in the third quarter of 2021. In September, unemployment declined by 0.4% to 4.8%, non-farm payroll employment rose by 194,000 jobs, and the Consumer Price Index (CPI) rose by 5.4% year-over-year before seasonal adjustments. Energy and Food items within the index increased by 24.8% and 4.6% respectively over the period. In Europe, the Euro STOXX 50, German DAX and FTSE 100 returned +5.2%, +2.8% and +2.2%, respectively. Euro Area GDP grew by 2.2% in the September quarter, and increased 3.7% over the prior corresponding period. Preliminary estimates showed annual inflation is expected to be 4.1% in October, reflecting the highest level since July 2008. Elevated inflation levels were driven by Energy index items which rose at an annual rate of 23.5%. In Australia, the S&P/ASX 300 Index returned +0.1%. The unemployment rate rose marginally from August levels to 4.6% in September. CPI growth moderated to 3.0% in the third quarter on an annual basis. The RBA's Trimmed Mean and Weighted Median CPI measures rose at their highest annual rates since the third quarter of 2015, both reaching 2.1%. Retail sales rebounded over the month in September increasing by 1.3%. Consumer Discretionary (+8.3%), Information Technology (+7.6%), and Energy (+7.4%) were the best performing MSCI World Index sectors, whilst Communication Services (+1.4%), Consumer Staples (+3.0%), and Health Care (+4.0%) were the worst performers. The U.S. dollar was weaker against most G10 currencies during October, except against the Japanese Yen and the Euro.

### Top 5 Holdings

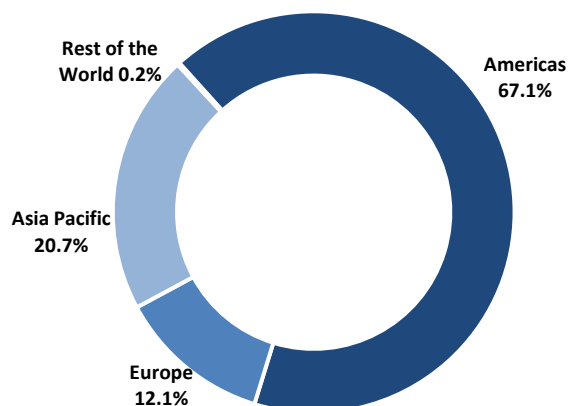
	Portfolio (%)	Benchmark (%)
Tesla Inc.	12.9	1.5
Amazon, Inc.	7.8	2.5
Square, Inc.	7.4	0.2
Microsoft Corporation	7.3	3.9
Alphabet Inc.	6.1	1.5

### Sector Allocation

	Portfolio (%)	Benchmark (%)
Communication Services	20.0	8.7
Consumer Discretionary	27.3	12.4
Consumer Staples	2.5	6.7
Financials	0.6	13.8
Health Care	4.0	12.4
Information Technology	36.4	22.9
Cash	9.0	--

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

### Geographical Weight by Source of Revenue



Source: Hyperion Asset Management

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

### Market Capitalisation (AUD)

	Portfolio (%)	# Stocks
\$0 - \$50bn	0.6	1
\$50 - \$100bn	10.1	3
\$100bn +	80.3	20
Cash	9.0	--
Total	100.0	24

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

### Top 5 Contributors and Detractors (rolling 12 months)

Contributors	Price change (%)	Avg Weight (%)	Contribution to return (%)
Tesla Inc.	168.4	12.2	15.3
Square, Inc. Class A	53.6	9.2	5.5
Microsoft Corporation	53.1	5.4	2.8
Alphabet Inc. Class A	71.3	3.7	2.3
Intuit Inc.	86.0	2.5	1.9

Detractors	Price change (%)	Avg Weight (%)	Contribution to return (%)
CSL Ltd*	0.5	0.2	-0.0
Tencent Holdings Ltd	-12.8	2.1	-0.1
MarketAxess Holdings Inc.	-29.1	1.0	-0.4
Alibaba Group Holding Ltd	-30.9	0.7	-0.4
Alibaba Group Holding ADR*	-26.3	0.6	-1.1

\*Stock not currently held in the portfolio.

### Portfolio Characteristics ^

	Portfolio
Number of Holdings	24
Top 10 Security Holdings (%)	65.4
Dividend Yield (%)*	0.3
Historical Beta	1.0

\*Trailing. ^Data based on composite. Before fees.

#### CONTACT US

##### HYPERION DISTRIBUTION

Jolon Knight  
Mob: 0414 805 862  
Jolon.knight@hyperion.com.au

##### INVESTOR SERVICES

Tel: 1300 497 374  
Investorservices@hyperion.com.au

## PORTFOLIO HOLDINGS UPDATE

### Tesla Inc. (TSLA-US)

Primary Exchange	NASDAQ
GICS Sector	Consumer Discretionary
Market Cap (US\$m)	1,118,751



Tesla Inc (Tesla) released its third quarter results for FY21, reporting an operating margin of 14.6%, year-over-year total revenue growth of 56.8% or US\$5.0bn, and GAAP net income improving 389% year-over-year to US\$1.6bn. The result was driven by automotive gross margins which, excluding regulatory credits, increased to 28.8% in the third quarter, up from 25.8% in the second quarter, and 23.7% from 3Q20. Margin expansion resulted from higher volumes, with Tesla increasing deliveries over the quarter by 20% to 241,300, and continued cost reduction. This all occurred while average sales price declined 6% year-over-year in the September quarter due to the continued mix shift towards lower-priced vehicles and Model S&X production still expanding since their refresh. Growth in production rates was primarily driven by further ramping of the Shanghai factory, while Tesla continues to work towards production starting in Texas and Berlin by the end of the year. Management highlighted the ongoing global supply chain, logistics, and other manufacturing challenges, as the company continued its efforts to keep production running close to full capacity. Management expects to achieve 50% average annual growth in vehicle deliveries, with fluctuations depending on equipment capacity, operational efficiency, and capacity and stability of the supply chain.

### Microsoft Corporation (MSFT-US)

Primary Exchange	NASDAQ
GICS Sector	Information Technology
Market Cap (US\$m)	2,489,796



Microsoft Corporation (Microsoft) released results for the quarter ending 30 September 2021. The company reported revenue increased by 22% over the quarter to US\$45.3bn, while operating income reached US\$20.2bn, marking an increase of 27%. Management remained positive on the ability of the business to innovate and execute across their technology stack, supporting customer needs. Microsoft Cloud generated revenue of US\$17.0bn over the quarter, an increase of 36% year-over-year and now comprises 46% of total revenue. The Intelligent Cloud segment revenue grew by 31%, driven by Azure which reported revenue growth of 50%, as Microsoft referenced strong demand for consumption-based services. In Productivity and Business Processes, revenue increased by 22% over the quarter to US\$15.0bn. Microsoft reported LinkedIn revenue increased 42%, driven by robust advertising demand in Marketing Solutions which grew by 61%. Cloud-based revenue from Office Commercial products (Office 365) also continued on a positive trajectory, with improved seat growth in small and medium businesses, and higher revenue per user, driven by the shift to premium priced product tiers. Revenue in the More Personal Computing segment increased by 12% over the quarter. The company flagged supply chain constraints impacting PC demand in Windows OEM and Surface categories during the period. Microsoft provided a positive outlook, driven by the continued tailwind towards digital transformation.

### Intuitive Surgical, Inc. (ISRG-US)

Primary Exchange	NASDAQ
GICS Sector	Healthcare
Market Cap (US\$m)	128,913



Intuitive Surgical, Inc. (Intuitive Surgical) reported its third quarter earnings for FY21 in October. Procedures completed with their da Vinci surgical robots globally grew by 20% year-over-year, despite pressures on surgery procedure demand following the resurgence of the COVID-19 pandemic, and hospital supply chain disruptions. During the quarter, Intuitive Surgical shipped 336 da Vinci Surgical Systems, marking an increase of 72% over the third quarter of 2020. The total installed base grew by 11% over the prior corresponding period to 6,525 da Vinci Surgical Systems. Management highlighted strength in the U.S. through collaboration with Integrated Delivery Networks in managing and expanding the capacity of da Vinci fleets. Elsewhere, there were strong placements in China, Japan, Europe and Brazil. Changes to senior leadership were also announced, repositioning the business with two new functional organisations: Global Business Services, and Strategy and Growth. The leadership team successions incorporate new roles of Executive Vice President within each respective business arm, which will be filled by Marshall Mohr (ex-Chief Financial Officer) and Dave Rosa (ex-Chief Commercial Officer). In early October, Intuitive Surgical implemented a 3-for-1 stock split which was announced in August 2021.

#### **DISCLAIMER – HYPERION GLOBAL GROWTH COMPANIES FUND (MANAGED FUND)**

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