



OBJECTIVE

Long-term capital growth and a return objective to outperform the MSCI benchmark.

STRATEGY

Invests in global business models at the forefront of innovation that capture large scale opportunities in public markets through the leaders, enablers and beneficiaries of transformative innovation of today, tomorrow and the future.

WHY INVEST

Get exposure to global innovation and disruption on listed markets that are underestimating their impact.

Reduce concentration risk in Australian share portfolios that are heavily skewed towards banks, resources and the Australian dollar, while underweight global innovation and disruption.

Diversification benefits because of minimal overlap with traditional index-based strategies and complement traditional value/ growth strategies.

Growth potential aims to capture long-term alpha+, with low correlation of relative returns to traditional growth strategies and negative correlation to value strategies.

Grounded in fundamentals with focused bottom-up investment research to identify innovative companies and convergence across markets.

Investor aligned wealth management as the investment team invest in their strategies and control the investment manager.

PORTFOLIO MANAGER

Heath Behncke
Managing Director
Holon Global Investments Limited

COMPANY DETAIL

Holon Global Investments Limited
Office 18, Level 2, Lawson Place,
165-167 Phillip St, NSW, 2000.

www.holon.investments

HOLON PHOTON FUND - QUARTERLY REPORT

PORTFOLIO PERFORMANCE

March 2020

	3 Months	6 Months	12 Months	Since Inception 1 July 2019
Holon Photon Fund	-2.9 %	1.7 %	N/A	4.3 %
MSCI World	-9.6 %	-5.5 %	N/A	-3.1 %
Outperformance	6.7 %	7.2 %	N/A	7.4 %

Note: All returns are net of fees and in AUD terms. Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding taxation.

KEY POINTS

- Resilience in the face of the sharpest market downturn on record.
- Mega Cap holdings likely to materially benefit from the post-COVID-19 digital world.
- Highly innovative and disruptive companies strengthening market positions.
- Remains well positioned (25% in cash post month end) to capitalise on the changes ahead.

MARKET COMMENTARY

What a start to 2020! A global health pandemic (COVID-19) has forced communities into lockdown and combined with an oil price war has seeded the conditions for the **fastest market decline on record**.

Globally, there have been **unprecedented government policy and central bank responses** in both speed and size to the COVID-19 crisis. While the world moves 'online' (to our investors benefit) there is also concern how the cost of government intervention will ultimately be paid. In any event, the world will start to question 'What is money?' if we can create it so easily!

In Australia, the **early access to super policy change** is likely to create a **near-term liquidity issue**. The superannuation system wasn't designed to be an ATM for short-term needs. We continue to closely monitor developments. Government policy that impacts major providers of 'equity support' can also have knock on effects to the banks that are major suppliers of 'credit support'.

The **resilience** of the Holon Photon Fund's (the Fund) portfolio of stocks passed a significant test in the quarter - down only 2.9% compared to the 9.7% fall for the broader global equities market (in AUD terms). Since inception nine months ago, the Fund is up 4.4% outperforming a falling market (-3.1%) by 7.5%.

The Fund **benefited** from a falling Australian dollar (AUD/USD -12%). In local currency terms, the Fund's largest overweights fell by an average of 7% during the quarter, compared to significantly greater falls in the S&P 500 (-20%) and the S&P/ASX 200 (-23%).

The largest positions in the Fund can be described as **Meg-Cap Global Leaders** driving innovation scale. Their market capitalisations are up to A\$1 trillion dollars and hold substantial **cash on balance sheet** and service hundreds of millions of customers daily. These world leading companies are continuing to invest significant amounts into **shaping our global digital future**.

We believe that it is becoming more evident that Australia is **increasingly exposed to the impacts of accelerating global innovation and disruption trends**. This began with the media industry almost twenty years ago (from print to digital), moved onto retail (such as Amazon) and entertainment (such as Netflix), and, we believe, will quickly spread through all industries, particularly financial services.

Overall, the 'COVID-19 shock' to our current investment landscape highlights Australia's vulnerabilities to interest rate sensitive industries (such as banking and property) and significant underexposure to accelerating global digital innovation.

INVESTMENT ACTIVITY

After quarter end, the Fund sold three positions: 'Hub 24', 'Netwealth' and 'Seek', taking the cash weighting in the portfolio to approximately 25%. These smaller, locally focused positions were sold as we look to deploy capital into tomorrow's emerging global leaders that are likely to be beneficiaries from the COVID-19 shock. Additionally, the Fund remains well positioned to benefit from accelerating global digitalisation trends through the Mega Cap Global Leaders. From this perspective, the Fund's launch time in mid-2019 could not have been better.



HOLON GLOBAL INVESTMENTS LIMITED

WHY?

Holon's mission is to help protect and grow your wealth in a world where the new normal is accelerating innovation (or change).

We believe innovation drives wealth creation, and everyone should have access to investing in the best companies globally that are driving innovation (or change) today, tomorrow and in the future.

HOW?

We invest in global companies with compelling valuation propositions, managed by competent and capable people of integrity.

We put ourselves in the shoes of those managers, and think deeply about the probabilities of the businesses achieving our investment objective and your wealth goals.

We fund the businesses that we can't live without today and search for the game-changing businesses of tomorrow and the future.

WHAT?

Holon Photon fund is a managed fund that provides simple access, open to everyone to invest in the best businesses the World has to offer.

We are your trusted investment partner for wealth creation.

PORTFOLIO BREAKDOWN

INNOVATION EXPOSURE	
Cloud Computing	11.6%
E-commerce	11.0%
Payments	17.0%
Energy	4.7%
Software Services	22.1%
Entertainment	5.1%
Advertising	8.1%
Hardware	1.8%

GICS SECTOR WEIGHTS	
Information Technology	32.3%
Communication Services	14.2%
Consumer Discretionary	27.6%
Financials	5.3%
Industrials	2.6%

TOP HOLDINGS	
Alibaba	11.3%
Amazon	9.2%
Xero	8.7%
Google	7.6%
Visa	7.3%
Tesla	6.8%
Tencent	6.5%
MasterCard	4.7%

COUNTRY WEIGHTINGS	
Australia (includes cash)	35.9%
United States	22.1%
Europe	8.2%
United Kingdom	5.6%
China	21.1%
Other	7.0%

PORTFOLIO CHARACTERISTICS (as at 31 March 2020)

Weighted Average Market Capitalisation	A\$462bn
Current (12mth) Operating Cash Flow Yield	4.8%
Forecast growth p.a. (3-5 years) in Operating Cash-Flow	10-15%
Net cash as a % of Market Capitalisation	2.67%
Percentage of Fund in the Top 10 Holdings	71.6%
Number of Positions	14
Cash Weighting	18%

VISIT THE WEBSITE

Holon Global Investments Limited's website is www.holon.investments

STRUCTURE AND TERMS

Distribution Reinvestment Plan	Distribution Reinvestment Plan
Legal Domicile	Australian
Fees	Management Fee 1.35% Performance Fee 15%
Reporting and Correspondence	Monthly; Quarterly and Annual
Responsible Entity & Unit Registry	One Investment Group
Unit price and performance	www.holon.investments

Disclaimer: The responsible entity for the Holon Photon Fund (ARSN 633 803 497) is One Managed Investment Funds Limited (ACN 117 400 987) (AFSL 297042) (OMIFL). The investment manager for the Holon Photon Fund is Holon Global Asset Management Pty Ltd (ACN 629 590 585) (Holon) that is a wholly owned subsidiary of Holon Global Investments Limited (ACN 129 237 592). Holon is an Australian Financial Services Representative (No. 1276082) of Atlas Funds Management Pty Ltd (ACN 612 499 528) which holds an Australian Financial Services Licence (No. 491395). The information contained in this document was not prepared by OMIFL but prepared by other parties. All of the commentary, statements of opinion and recommendations contain only general advice and have not taken into account your personal circumstances. This document contains general financial product advice only. Any investment in OMIFL products need to be made in accordance with and after reading the Product Disclosure Statement (PDS) and Additional Information Booklet (AIB), and investors should consider the PDS before deciding whether to invest in the Fund or continue to hold units in the Fund. The opinions, advice, recommendations and other information contained in this document, whether expressed or implied, are published or made by Holon in good faith in relation to the facts known at the time of preparation. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. Past performance is not indicative of future performance. The PDS and AIB can be obtained by visiting www.oneinvestment.com.au/photon. **Limitation of liability:** Whilst all care has been taken in preparation of this document, to the maximum extent permitted by law, neither Holon or OMIFL will be liable in any way for any loss or damage suffered by you through use or reliance on this information. Holon and OMIFL's liability for negligence, breach of contract or contravention of any law, which cannot be lawfully excluded, is limited, at Holon's option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you.