



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
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HOLON PHOTON FUND - MONTHLY REPORT

PORTFOLIO PERFORMANCE

November 2020

	1 Month	3 Months	6 Months	CYTD	1-Year	Since Inception (p.a.%)
Holon Photon Fund	6.2	4.7	27.4	40.9	40.5	34.1
MSCI AC World	7.1	6.5	10.2	6.0	5.6	9.5
Outperformance	(0.9)	(1.8)	17.2	34.9	34.9	24.6

Note: All percentage 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

- Our view is that the world is going digital and our portfolio companies are likely to be material beneficiaries.
- Management teams of our Mega Cap Companies are investing heavily to capitalise.
- Our investment team remains focused on assessing the impact of the structural change.
- Overall, we are not optimistic on the broader market as the "COVID-19 shock" is absorbed.

MARKET COMMENTARY

The Holon Photon Fund (the Fund) was up (6.2%) during the month of November, slightly underperforming the broader market which rose (7.1%) on the back of promising vaccine trial results and broader optimism. A rise in the AUD (+5%) detracted from the Fund performance.

In our view, most investment managers talking about uncertainty at the moment do so because of their exposure to 'old world' business models and mindsets that are also financially leveraged. Yet, in a world full of uncertainty there are two outcomes becoming more certain, that the world is shifting online and the debasement of money. This was evidenced throughout November, with ecommerce spending in the U.S. increasing (+53% YoY). In addition, the selection of Janet Yellen as Treasury Secretary, who (given her tenure as Fed. Chair) is likely to coordinate closely with the Federal Reserve to continue an expansive monetary policy regime.

After reaching an all-time high in late-October, Alibaba (-11.1%) pulled back through November. The share price movement can be attributed to Chinese regulators suspending the initial public offering (IPO) of Ant Group, in which Alibaba has a 33% equity stake. Following further in-depth analysis of Ant Group, our conviction in Alibaba strengthened and we subsequently increased our position via the Hong Kong exchange. While displaying share price weakness, we remain confident with our underlying investment thesis for both Alibaba and Ant Group. Third quarter results highlighted Alibaba's dominant position in the Chinese ecommerce market, posting record daily sales of USD\$56bn on Singles Day, the world's largest shopping event initiated by Alibaba in 2009.

Tesla (+48.7%) rallied strongly through the latter half of November, following the S&P Dow Jones Indices announcement that Tesla will be included in the S&P 500 index later this month. This followed the release of Tesla's third quarter results which included a fifth consecutive quarter of profitability and 39% revenue growth (YoY). Further, following a sharp decline (-21%) in total deliveries in the first quarter, a result of COVID-19 and the subdued economic activity, Tesla reported a strong rebound in total deliveries (54% QoQ, 44% YoY) to an all-time high of approximately 140,000 vehicles. While we view these results positively, given the share price strength, we are reviewing both our forecasts and Tesla's weighting within the overall portfolio.

As we look forward to innovation in the pipeline, we believe that digital assets are starting to gain mainstream acceptance as an investable asset class. As the reserve digital asset, Bitcoin (or digital gold) has recently experienced considerable inflows from high-net wealth and institutional investors. Moving forward, we believe an allocation to Bitcoin will grow as it is better understood by the broader market. Having maintained this view for some time, we are looking to provide investors access to the asset class in the foreseeable future.

Since inception seventeen months ago, the Fund is up 51.4%, outperforming a 13.7% rise in the benchmark. Our annualised run rate of 34.1% is currently well ahead of our internal return objective of 10.0% per annum long term. While continuing to remain cautious in regard to broader equity markets, we believe the **pandemic** has created an **inflection point to accelerate online adoption** to which many of our portfolio holdings are likely to be material beneficiaries.

Finally, it is important to note that while our returns have been strong in nominal terms, relative to Gold (+20% over the last seventeen months in AUD) we have increased your **purchasing power by approximately 31%**. This is important as we suspect that the substantial liquidity provided near term by Central Banks globally is flowing into asset prices, i.e., a rising tide lifts all boats.



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 find 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.

INVESTMENT ACTIVITY

During November there were no new positions added. At month end, the Fund had 19.7% in cash, which provides investment flexibility to deploy into future opportunities. We remain well positioned to benefit from accelerating global digitalisation trends through the Mega Cap global leaders. Further, we continue to actively look to add to the portfolio companies in both the emerging global & exponential and Web 3.0 buckets.

PORTFOLIO BREAKDOWN

INNOVATION EXPOSURE	
Payments	12.5%
Software Services	12.0%
Entertainment	11.5%
Cloud Computing	11.3%
Advertising	10.2%
E-commerce	9.8%
Energy	6.5%
Hardware	4.0%

TOP HOLDINGS	
Alibaba	10.1%
Tesla	10.1%
Roku	7.4%
Amazon	7.0%
Xero	6.6%
Tencent	6.3%
Google	5.2%
Bili Bili	4.4%
Visa	4.2%
Afterpay	3.8%

GICS SECTOR WEIGHTS	
Consumer Discretionary	31.8%
Information Technology	23.9%
Communication	23.2%
Financials	1.4%

COUNTRY WEIGHTINGS	
United States	27.1%
China	26.7%
Europe	8.7%
Australia	6.3%
United Kingdom	4.3%
Other	7.3%

PORTFOLIO CHARACTERISTICS (as at 30 November 2020)

Weighted Average Market Capitalisation	A\$327bn
Current (12mth) Operating Cash Flow Yield	3.7%
Forecast growth p.a. (3-5 years) in Operating Cash-Flow	10-15%
Net cash as a % of Market Capitalisation	6.4%
Percentage of Fund in the Top 10 Holdings	64.9%
Number of Positions	16
Cash Weighting	19.7%

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

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.