



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

Gain exposure to global innovation and disruption on listed markets that are underestimating its 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

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HOLON PHOTON FUND - MONTHLY REPORT

PORTFOLIO PERFORMANCE

April 2021

	1 Month	3 Months	6 Months	CYTD	1-Year	Since Inception (p.a.)
Holon Photon Fund	4.1	0.8	18.1	7.9	46.8	32.9
MSCI AC World	2.9	8.9	16.6	9.0	23.5	12.4
Outperformance	1.2	(8.1)	1.5	(1.1)	23.3	20.5

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

- Bond market stabilised this month, with US 10-year bond yielding 1.60%. Markets remain sensitive to rising inflation concerns as the possibility of interest rate rises.
- Rising inflation has largely been impacted by transitory factors such as weak year-over-year comparisons and supply-chain disruptions rather than a tight labour market. However, fears are rising that an 'easy money' environment is seeing inflation appear more broadly.
- Despite the uncertainty in the market, 'Big Tech' continues to reap the benefits of accelerating digitalization, with Apple & Alphabet beating market expectations during the reporting season.
- We remain confident in our holdings and their ability to generate compounding returns given the continued digital acceleration coming out of the Covid-19 pandemic.

MARKET COMMENTARY

The Holon Photon Fund (the Fund) rebounded strongly in April, rising 4.1% during the month and outperforming the broader market return of 2.9%. During April, Central Banks reassured the market that interest rates will remain low until at least 2024, helping anchor stimulus expectations and lower market volatility. This allowed US 10-year bond yields to stabilise at 1.60%, providing investors with some additional confidence to buy back into the oversold technology sector.

Despite inflation and job numbers pointing to a rapidly improving global outlook, there is still a long way to go in achieving the tight labour market required to create sustained wage pressure on inflation. This can be seen in the number of job vacancies in the US and ANZ rising to decade highs, indicating the substantial slack in the labour market. Moreover, Central Banks are pointing towards weak year-over-year comparisons and supply-chain disruptions as the real cause of the inflation uptick. Holon remains optimistic on Global Equity Markets as Central Banks commit to supporting a low-rate environment as well as the continued rebound in the global recovery led by fiscal stimulus programs and vaccine rollouts.

In the Fund, Alphabet's share price continued its strong run, appreciating 16% in April following the release of its first quarter results. The results reflect elevated consumer activity online and broad-based growth in advertiser spend as the shift to online advertisement continues to play out. This is demonstrated by the 32% (YoY) growth in advertisement revenue and 46% (YoY) growth in cloud revenue that Alphabet experienced in Q1. In the long-run, Holon expects Google Cloud to generate considerable compound returns for investors given its strong position to capitalise on this rapidly expanding market opportunity.

Megaport's share price rebounded 28% on the back of solid 3Q results that saw consistent growth across all metrics. Whilst these results were in line with consensus views, investors are becoming increasingly optimistic about Megaport given the success in their 'channel' sales strategy under the leadership of recently appointed Chief Revenue Officer Rodney Foreman. This has the potential to accelerate Megaport's future revenue growth which is already underpinned by strong tailwinds in cloud adoption.

Meituan pulled back 3% through April, primarily as a result of increased regulatory oversight from Beijing. As a leading on-demand food delivery service provider and ecommerce platform for in-store dining, travel and event ticketing, Meituan has captured 65% market share within China's food delivery industry. Despite this regulatory uncertainty, we remain optimistic on their long-term prospects. Meituan also recently raised \$10 billion in equity capital to support future growth in ventures which includes autonomous delivery vehicles.

Since our inception twenty-two months ago, the Fund is up 68.3%, outperforming our benchmark MSCI AC World Index return of 23.8% over the same period. Our annualised performance of 32.9% is also well ahead of our internal return objective of 10.0% per annum over the long-term.

While we remain confident in the outlook for Global Equity Markets given Central Banks steadfast commitment to support a low-rate environment, we believe the pandemic has created an inflexion point to accelerate online adoption. We believe that many of our holdings are likely to be material beneficiaries of this shift in consumer behaviour, and remain confident in our ability to outperform our benchmark over the long-term.

Finally, we note that the Fund has outperformed Gold (+14.4%), increasing our investors purchasing power by approximately 53.9%. This is important as we believe that monetary debasement will likely be the dominant central bank tool for the foreseeable future.



Photon
global innovation fund

**Invest
different**

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 April, the Fund added a small position in Coinbase giving the portfolio a 6.1% exposure to the Web 3.0 bucket. With a market capitalisation of \$60Bn, the Coinbase listing highlights the accelerated pace of innovation that is happening around the Web 3.0 space and why we need to have exposure to this innovation. The Fund had 14.0% in cash at month end, which we will look to deploy over time as we continue to actively look for attractive investments.

PORTFOLIO BREAKDOWN

INNOVATION EXPOSURE	
Software Services	12.9%
Payments	12.8%
E-commerce	11.9%
Cloud Computing	10.8%
Entertainment	9.7%
Web 3.0	9.2%
Advertising	5.4%
Energy	4.6%
Hardware	2.9%

TOP HOLDINGS	
Amazon	8.6%
Alibaba	8.1%
Tesla	7.1%
Tencent	7.0%
MicroStrategy	6.7%
Xero	6.4%
Google	6.1%
Roku	5.1%
Afterpay	4.2%
Visa	3.9%

GICS SECTOR WEIGHTS	
Information Technology	34.4%
Consumer Discretionary	30.2%
Communication Services	21.4%

GEOGRAPHICAL WEIGHTINGS	
China	30.6%
United States	26.0%
Europe (ex. UK)	6.8%
Australia	6.4%
United Kingdom	3.4%
Global	6.1%
Other	6.7%

PORTFOLIO CHARACTERISTICS (as at 30 April 2021)

Weighted Average Market Capitalisation	A\$422bn
Current (12mth) Operating Cash Flow Yield	2.8%
Forecast growth p.a. (3-5 years) in Operating Cash-Flow	10-15%
Net cash as a % of Market Capitalisation	4.2%
Percentage of Fund in the Top 10 Holdings	60.8%
Number of Positions	17
Cash Weighting	14.0%

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 129 237 556). 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.