



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

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

www.holon.investments

HOLON PHOTON FUND – MONTHLY REPORT

PORTFOLIO PERFORMANCE

November 2021

	1 Month	3 Months	6 Months	12 Months	Since Inception (p.a. %)
Holon Photon Fund	0.5	2.4	12.5	18.7	27.6
MSCI ACWI Index	3.0	1.4	12.3	23.9	15.3
Outperformance	-2.5	1.0	0.2	-5.2	12.3

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

- Covid-19 reared up again in late November, with the Omicron Variant triggering a broad market sell-off over the last week of the month. We should expect volatility to remain high.
- Chinese tech stocks have pulled-back on further moves from the Chinese regulators.
- Q3 reporting seasons was mixed for the fund, with Intuit delivering strong results whilst Roku and Alibaba were below market consensus.

MARKET COMMENTARY

The Holon Photon Fund (the Fund) returned 0.5% in November, underperforming the broader market return of 3.0%. Continued uncertainty over the Chinese financial regulators long-term plans for US listed Chinese companies weighed on their share prices, with a sharp rally in early November quickly sold off over the last week of the month. The Q3 reporting season saw good results from Intuit (+10%) and Tesla (+8%). The Fund's performance was aided by a favourable 5% depreciation in the AUD against the USD and HKD, with Australia's RBA maintaining low rates until 2024.

Covid-19's Omicron variant left investors more uncertain to the global economy going into Christmas. The admission of inflation concerns from US Federal Reserve Chairman Jerome Powell left markets fearing an early arrival of interest rate rises beginning in the first half of 2022. Markets will likely remain volatile while investors digest these concerns and possible Fed actions over the next 12 months. As a result, substantially under-priced assets, particularly in China, are appearing for investors.

Alibaba's Q2 results were less than expected, while it also forecast a slower growing Chinese economy in 2022. Still battling regulatory scars from its earlier share price sell-off in 2021, investors once again sold Alibaba down 17% for the month. Even after adjusting Alibaba's 2022 earnings lower, we believe its current share PE ratio of 14x offers patient investors exposure to one of the world's best positioned technology giants.

After subtracting Alibaba's cash and investments which currently make up 50% of its market capitalisation, Alibaba is trading at 7x PE (price-earnings ratio), further highlighting the extraordinarily oversold price of Alibaba's shares. Rarely does an investment present such a unique opportunity.

Alibaba reported strong revenue growth of 30% vs Q3 2020, however, reported an EBITDA decline of 32% over the same period. This was primarily due to a substantial increase in capital expenditure in its international commerce and logistics segments. While this impacts Alibaba's short-term profitability, Holon believes these investments will accelerate growth in Alibaba's international operations, diversifying its revenue outside of China further. Alibaba is also increasing its infrastructure spend at home to prepare for a much larger domestic digital economy over the next decade, with a strong focus on its logistics and cloud platforms.

Intuit's share price had a strong month on the back of another positive quarterly earnings release in November. Highlights included revenue growth of 41% YoY as well as an earnings upgrade by management for FY22 to reflect stronger than expected growth in its small business and Credit Karma segments. An additional growth driver was Intuit's consumer division which reported 20% revenue growth over the past 12 months. Intuit also completed its acquisition of Mailchimp, fully integrating the automated email marketing platform into its small business and self-employed financial services ecosystem.

Since inception, the Fund has returned 77.7%, outperforming the MSCI AC World Index by 40.9%. The annualised performance of 27.6% is also well ahead of our internal long-term return objective of 10.0% per annum.

Finally, we note that the Fund has outperformed Gold (+26.0%), increasing our investors purchasing power by approximately 51.7%. This is important as we believe that monetary debasement will likely be the dominant central bank tool for the foreseeable future.



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, no new positions added to the Fund, with our cash position sitting at 14.1% at month end. We remain well positioned to benefit from accelerating global digitalisation and continue to actively look to add to the portfolio companies in the emerging global and exponential bucket.

PORTFOLIO BREAKDOWN

INNOVATION EXPOSURE %	
Software Services	14.9
Web 3.0	12.5
Cloud Computing	10.4
Entertainment	9.6
E-commerce	9.2
Energy	8.3
Payments	7.3
Advertising	4.9
Hardware	3.2

GICS SECTOR WEIGHTS %	
Information Technology	33.4
Consumer Discretionary	31.3
Communication Services	21.2

TOP HOLDINGS %	
Tesla	12.7
MicroStrategy	9.1
Tencent	8.5
Amazon	7.6
Google	6.3
Alibaba	5.9
Xero	5.6
Intuit	4.7
Coinbase	4.7
Roku	4.1

GEOGRAPHICAL WEIGHTINGS %	
China	29.4
United States	26.3
Global	8.7
Europe (ex. UK)	7.0
Australia	5.9
United Kingdom	2.4
Other	6.3

PORTFOLIO CHARACTERISTICS (as at 30 November 2021)

Weighted Average Market Capitalisation	A\$407bn
Current (12mth) Operating Cash Flow Yield	3.30%
Forecast growth p.a. (3-5 years) in Operating Cash-Flow	10-15%
Net cash as a % of Market Capitalisation	4.90%
Percentage of Fund in the Top 10 Holdings	68.10%
Number of Positions	16
Cash Weighting	14.1%

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 0.85% 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). The investment manager (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 or webpage was not prepared by OMIFL but prepared by other parties. This document or webpage contains general financial product advice only, and all of the commentary, statements of opinion and recommendations have not taken into account your personal circumstances. Any investment in OMIFL products need to be made in accordance with and after reading the Product Disclosure Statement (PDS), Additional Information Booklet (AIB) and Target Market Determination (TMD), and investors should consider the PDS, AIB and TMD 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 offer of units in the Fund is made in accordance with a PDS dated 11 October 2021 and TMD each issued by OMIFL and the PDS, AIB and TMD can be obtained by visiting www.oneinvestment.com.au/Photon. **Limitation of liability:** Whilst all care has been taken in preparation of this document or webpage, 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 paying for the resupply of this information or any part of it to you.