



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
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HOLON PHOTON FUND – MONTHLY REPORT

PORTFOLIO PERFORMANCE

December 2021

	1 Month	3 Months	6 Months	12 Months	Since Inception (p.a. %)
Holon Photon Fund	-6.9	1.1	-7.5	7.2	22.6
MSCI ACWI Index	1.4	6.0	9.0	25.8	15.1
Outperformance	-8.3	-4.9	-16.5	-18.6	7.5

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

- **Omicron Variant continues to cause uncertainty for markets, and we expect volatility to remain high.**
- **Potential interest rate hikes by the Federal Reserve to combat high inflation figures is spooking investors with sell-offs across most growth stocks.**

MARKET COMMENTARY

The Holon Photon Fund (the Fund) returned -6.9% in December, underperforming the broader market return of 1.4%. December saw heightened fears over the extent of which the Covid-19 Omicron breakout would have on economies globally, whilst in the US CPI rose 6.8% YoY, the fastest pace since 1982.

High inflation figures had an increasing number of investors concerned that the US Federal reserve would combat rising prices by raising interest rates as early as March 2022. The flow on effect seeing a retracement in growth stocks. We believe markets will 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.

The digital asset market also saw turbulence amid higher interest rate fears. Bitcoin closed December 19% down, it's largest drop since May and worst December period since 2013. This resulted in Microstrategy being one of the largest detractors (-2.37%) for the month.

Volatility in Bitcoin is not new, and we expect this to continue for some time. We remain confident that, over the long-term, Bitcoin's hard monetary policy will resonate with many investors looking for an inflationary hedge. Michael Saylor, CEO, remains committed to the Bitcoin strategy purchasing another 1,914 Bitcoin for a total of 124,391 on their Balance Sheet.

Bilibili's share price finished December down 35%, impacted by continued macroeconomic and political headwinds domestically in China and globally. Reflecting on 2021, Bilibili, led by Chairman and CEO Rui Chen, have continued to execute their "user growth strategy", prioritizing customer acquisition and market share expansion over shorter-term profitability and operating leverage. To continue financing its rapid user growth and brand awareness, the company announced at the end of November 2021 it would issue US\$1.4 billion worth of convertible senior notes, due in 2026. In doing so, the company has taken advantage of the current low interest rate environment whilst also preventing equity dilution. Looking ahead to 2022 and beyond, we believe that Bilibili is in a strong position to continue growing its user base, which should contribute to higher revenue for the company's value-added services and advertising segments.

Mastercard and Visa both had strong December periods, closing December up 14% & 6.5% respectively. This can largely be attributed to the inflationary pressures mentioned above, with higher prices comes increased revenue for these payment providers. With little exposure to interest rate risk or interest/fees paid by cardholders, we believe both these companies will remain strong businesses for some time.

Since inception, the Fund has returned 67.5%, outperforming the MSCI AC World Index by 24.2%. The annualised performance of 22.6% 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 (+37.8%) since its inception, increasing our investors purchasing power by approximately 29.69%. 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 December, no new positions added to the Fund, with our cash position sitting at 18.4% 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	14.6
Cloud Computing	9.8
Web 3.0	9.7
Entertainment	9.1
E-commerce	8.7
Payments	8.1
Energy	7.7
Advertising	4.8
Hardware	3.0

GICS SECTOR WEIGHTS %	
Information Technology	30.9
Consumer Discretionary	29.8
Communication Services	20.9

TOP HOLDINGS %	
Tesla	11.9
Tencent	8.6
Amazon	7.3
MicroStrategy	7.0
Google	6.5
Xero	5.7
Alibaba	5.6
Intuit	4.7
Roku	4.2
Coinbase	3.8

GEOGRAPHICAL WEIGHTINGS %	
China	28.4
United States	25.3
Global	6.7
Europe (ex. UK)	6.9
Australia	5.6
United Kingdom	2.5
Other	6.3

PORTFOLIO CHARACTERISTICS (as at 31 December 2021)

Weighted Average Market Capitalisation	A\$738bn
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	65.3%
Number of Positions	16
Cash Weighting	18.42%

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/photons. **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.