



OBJECTIVE

Long-term capital growth and a return objective to outperform the MSCI AC World Net Index 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

March 2022

	1 Month	3 Months	6 Months	12 Months	Since Inception (p.a. %)
Holon Photon Fund	1.9	-12.2	-11.2	-9.2	15.1
MSCI AC World Net Index	-1.3	-8.4	-2.9	8.8	10.3
Relative Performance	3.2	-3.8	-8.3	-18.0	4.8

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

- China's Vice Premier Liu's speech brings confidence back to Chinese technology shares.
- Following 6 months of heavy selling in technology shares, Holon's Photon Fund took advantage of cheap valuations and built up its China equities investments. New positions were also added in Block (formerly Square), Meta (Facebook), Shopify and Netflix.
- High energy costs will continue to drive inflation across supply chains through 2022.

MARKET COMMENTARY

The Holon Photon Fund (the Fund) returned 1.9% in March outperforming the broader market return of -1.3%. Concerns over the Russia/Ukraine conflict dominated headlines in March, with rising energy prices and energy supply concerns leading to heavy selling in global equity markets over the first two weeks of March. A key event of the month was the commencement of interest rate rises by the US Federal Reserve, who remain late to the party in addressing rising global inflation concerns. Markets responded positively to Fed Chairman Jerome Powell's 0.25% increase, with the US Nasdaq market rebounding 12% over the last 2 weeks of March.

The other major news for March was Chinese Vice Premier Liu's positive comments that the government is nearing the completion of its recent regulatory actions as well as supporting Chinese companies that are listed on US and Chinese equity exchanges. With added political pressure from the US over China's support for Russia's stance on the Ukraine, Chinese share valuations had collapsed to record lows by mid-March. The market reacted very positively, with China's largest tech shares rebounding over 50% within 1 week.

Tesla this month strengthened its European position with the opening of the Gigafactory in Berlin. This factory has production capacity of 500,000 vehicles and assuming supply chain restraints do not cause issues, it means we should see the company outpace our 2022 forecasts of 1.5m vehicles. Inflationary pressures are also causing some headwinds for most industries although with demand outstripping supply, Tesla has been passing costs onto end customers with prices up more than 10%. Whilst not a positive outcome by any means, Tesla's higher margins against competitors gives them an advantage to other EV manufacturers.

March was another volatile month for Alibaba with the NYSE listed ADR dropping to as low as \$US73 a share, close to their 2014 IPO price of \$US68 a share. Following Vice Premier Liu's remarks, Alibaba's share price rallied over 60% within 6 trading sessions, erasing its losses for the month. Alibaba also increased its share repurchase program to \$US25 billion. Holon used the March selloff to rebuild our position in Alibaba following confirmation that efforts to tighten regulatory oversight by Chinese authorities are nearing completion.

Bitcoin rallied 10% into the end of March, which led a sharp turnaround of 30% in digital asset exchange Coinbase. Coinbase introduced support for the Solana ecosystem, within the Coinbase Wallet application, bringing a new community of developers and users into the Coinbase Ecosystem. With one million users currently registered on the Coinbase NFT Marketplace waitlist, the Solana news is expected to add more registered users.

Following the heavy sell-off in innovation and technology shares, Holon added four new investments to the Photon fund in March. These include Block (formerly called Square), which is a global e-commerce player that acquired Afterpay in January 2021. They also run Cash App, a digital bank with 44 million active users that also facilitates customers to own and securely store Bitcoin. Cash App also integrates with Bitcoin's lightning payments network, which allows its customers to use Bitcoin for digital payments globally.

Since inception, the Fund has returned 15.1%, p.a. outperforming the MSCI AC World Net Index by 4.8%. The annualised performance of 15.1% 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 (37.7%) since its inception, increasing our investors' purchasing power by approximately 9.4%. 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.

We believe innovation drives wealth creation, and everyone should have access to investing in the best companies globally that are driving innovation 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 March we added four new positions to the Fund, Block Inc, Meta Platforms Inc, Shopify Inc and Netflix Inc and removed one position from the Fund, Mastercard Inc. At month end, the Fund had 5.9% in cash, remaining 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 %	
E-commerce	14.5
Cloud Computing	13.3
Web 3.0	11.3
Advertising	10.5
Vertical Software	9.9
Gaming	6.6
Payments	6.5
Streaming	6.4
Autonomous Vehicles	5.7
Other	3.7
IoT	2.8
Energy	2.7

TOP HOLDINGS %	
Alibaba	10.5
Tesla	9.1
Tencent	8.5
MicroStrategy	6.5
Meta Platforms	5.8
Amazon	5.7
Alphabet	5.6
Coinbase	4.9
Meituan	4.6
Xero	4.4

GICS SECTOR WEIGHTS %	
Information Technology	32.8
Consumer Discretionary	29.8
Communication Services	26.6
Financials	4.9

GEOGRAPHICAL WEIGHTINGS %	
Asia	30.2
North America	27.7
Europe	14.9
Oceania	6.6
Other (Global)	6.2
South America	5.7
Africa	3.6

PORTFOLIO CHARACTERISTICS (as at 31 March 2022)

Weighted Average Market Capitalisation	A\$638bn
Current (12mth) Operating Cash Flow Yield	3.81%
Forecast growth p.a. (3-5 years) in Operating Cash-Flow	10-15%
Net cash as a % of Market Capitalisation	2.9%
Percentage of Fund in the Top 10 Holdings	65.4%
Number of Positions	19
Cash Weighting	5.9%

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 629 590 586) (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 to paying for the resupply of this information or any part of it to you.