

Holon Bitcoin Fund

Reference Guide

Issue Date 10 June 2022

ABOUT THIS REFERENCE GUIDE

This Reference Guide (“RG”) dated 10 June 2022 has been prepared and issued by Holon Investments Australia Limited (“Holon”, “we” or “Responsible Entity”). The information in this document forms part of the Product Disclosure Statement (“PDS”) for the Holon Bitcoin Fund (“Fund”) dated on 10 June 2022.

The information provided in this RG is for general information only and does not take into account your individual objectives, financial situation or needs. You should obtain financial and taxation advice tailored to your personal circumstances.

Updated information

Information in the PDS and this RG is subject to change. Before making an investment in the Fund, you should ensure that you have read the current PDS and RG as at the date of your investment.

You can request a copy of the PDS and RG by visiting www.holon.investments or by calling the Responsible Entity. A paper copy of the updated information will also be provided free of charge on request.

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Responsible Entity & Investment Manager

Holon Investments Australia Limited
ABN 45 648 884 164, AFSL No 532669
Office 18, Level 2 Lawson Place,
165/167 Phillip Street
Sydney NSW 2000
Email hello@holon.investments
holon.investments

Administrator

Automic Finance Pty Ltd
ABN 37 085 283 601
Level 5, 126 Phillip Street
Sydney NSW 2000
www.automicgroup.com.au

Unit Registry

Boardroom Pty Limited
ABN 14 003 209 836
Level 12, 225 George Street
Sydney NSW 2000
www.boardroomlimited.com.au

Custodian

Gemini Trust Company, LLC
600 Third Avenue, 2nd Floor
New York, NY 10016
www.gemini.com/apac/australia

1. INVESTING IN THE HOLON BITCOIN FUND

Application cut-off times

If we receive a correctly completed Application Form, identification documents (if applicable) and cleared application money:

- before 1pm (Sydney time) on a Business Day and your application for units is accepted, you will generally receive the application price calculated for that Business Day; or
- on or after 1pm (Sydney time) on a Business Day and your application for units is accepted, you will generally receive the application price calculated for the next Business Day.

Please see the PDS and Application Form for information regarding how to apply.

Application processing

We will only start processing an application if:

- we consider that you have correctly completed the Application Form;
- you have provided us with the relevant identification documents if required; and
- we have received the application money (in cleared funds) stated in your Application Form.

2. MANAGING YOUR INVESTMENT

Authorised signatories

You can appoint a person, partnership or company as your authorised signatory. To do so, please nominate them on the initial Application Form and have them sign the relevant sections. If a company is appointed, the powers extend to any director and officer of the company. If a partnership is appointed, the powers extend to all partners. Such appointments will only be cancelled or changed once we receive written instructions from you to do so.

Once appointed, your authorised signatory has full access to operate your investment account for and on your behalf. This includes the following:

- making additional investments;
- requesting income distribution instructions be changed;
- withdrawing all or part of your investment;
- changing bank account details;
- enquiring and obtaining copies of the status of your investment; and
- having online account access to your investment.

If you do appoint an authorised signatory:

- you are bound by their acts;
- you release, discharge and indemnify us from and against any losses, liabilities, actions, proceedings, claims and demands arising from instructions received from your authorised signatory; and
- you agree that us acting on any instructions received from your authorised signatory shall amount to complete satisfaction of our obligations, even if these instructions were made without your knowledge or authority.

Reports

Unitholders will be provided with the following reports:

- transaction confirmation statements; and
- (where applicable), distribution and tax statements.

Annual audited financial accounts are available on Holon's website.

Electronic instructions

If a unitholder instructs Holon and/or Boardroom by electronic means, such as an email or facsimile, the investor releases Holon and/or Boardroom from and indemnifies Holon and/or Boardroom against, all losses and liabilities arising from any payment or action Holon and/or Boardroom makes based on any instruction (even if not genuine) that Holon and/or Boardroom receives by an electronic communication bearing the investor's investor code and which appears to indicate to Holon and/or Boardroom that the communication has been provided by the unitholder e.g. a signature which is apparently the investor's and that of an authorised signatory for the investment or an email address which is apparently the unitholder's. The unitholder also agrees that neither they nor anyone claiming through them has any claim against Holon and/or Boardroom or the Fund for these payments or actions. There is a risk that a fraudulent withdrawal request can be made by someone who has access to a unitholder's investor code and a copy of their signature or email address. Please take care.

Regular Investment Plan

You can increase your investment in the Fund through a monthly direct debit from your nominated bank account. The minimum additional investment for the Fund under the savings plan is \$200 per month. Direct debits will be processed on the 19th calendar day of the month.

If this is not a Business Day then the direct debit will be processed on the next occurring Business Day. See the Direct Debit Request Service Agreement below.

The following is your Direct Debit Service Agreement with Boardroom who acts as the unit registry provider of the Fund. The agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit Provider.

We recommend you keep this agreement in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your Direct Debit Request form or additional application form (as applicable).

Debiting your account

- a) By signing a Direct Debit Request or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited from your account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between us and you.
- b) We will only arrange for funds to be debited from your account as authorised in the Direct Debit Request or we will only arrange for funds to be debited from your account if we have sent to the address nominated by you in the Direct Debit Request, a billing advice which specifies the amount payable by you to us and when it is due.
- c) If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day. If you are unsure about which day your account has or will be debited you should ask your financial institution.

Amendments by us

We may vary any details of this agreement or a Direct Debit Request at any time by giving you at least fourteen (14) days written notice.

Amendments by you

You may change, stop or defer a debit payment, or terminate this agreement by providing us with at least fourteen (14) days notification by writing to:

Boardroom Pty Limited

Unit Registry

Level 12, 225 George Street, Sydney NSW 2000

Or online at:

www.boardroomlimited.com.au

Or

- a) by telephoning them on 1300 737 760 during business hours; or
- b) arranging it through your own financial institution.

Your obligations

- a) It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the Direct Debit Request.
- b) If there are insufficient clear funds in your account to meet a debit payment:
 - I. you may be charged a fee and/or interest by your financial institution;
 - II. you may also incur fees or charges imposed or incurred by us; and
 - III. you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.
- c) You should check your account statement to verify that the amounts debited from your account are correct.
- d) If Boardroom is liable to pay goods and services tax ("GST") on a supply made in connection with this agreement, then you agree to pay Boardroom on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

Dispute

- a) If you believe that there has been an error in debiting your account, you should notify us directly on hello@holon.investments and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively, you can take it up with your financial institution direct.
- b) If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
- c) If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.

Accounts

You should check:

- a) with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions.
- b) your account details which you have provided to us are correct by checking them against a recent account statement; and
- c) with your financial institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request.

Confidentiality

- a) We will keep any information (including your account details) in your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction, or disclosure of that information.
- b) We will only disclose information that we have about you:
 - I. to the extent specifically required by law; or
 - II. for the purposes of this agreement (including disclosing information in connection with any query or claim).

Notice

- a) If you wish to notify us in writing about anything relating to this agreement, you should write to Holon at:
Office 18, Level 2 Lawson Place,
165/167 Phillip Street
Sydney NSW 2000
- b) We will notify you by sending a notice in the ordinary post to the address you have given us in the Direct Debit Request.

Any notice will be deemed to have been received on the third banking day after posting.

3. WITHDRAWING YOUR INVESTMENT

Withdrawal cut-off times

If we receive a withdrawal request:

- before 1pm on a Business Day and your withdrawal request is accepted, you will generally receive the withdrawal price calculated for that Business Day; or
- on or after 1pm on a Business Day and your withdrawal request is accepted, you will generally receive the withdrawal price calculated for the next Business Day.

Please see the PDS for information regarding how to request a withdrawal.

Withdrawal terms

Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

We may contact you to check your details before processing your withdrawal request but are not obliged to. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.

We are not responsible nor liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.

When you are withdrawing, you should take note of the following:

- Withdrawals will only be paid to the unitholder.
- We reserve the right to fully redeem your investment if, as a result of processing your request, your investment balance in the Fund falls below the minimum balance set out in the PDS.
- If we cannot satisfactorily identify you as the withdrawing unitholder, we may reject your withdrawal request or payment of your withdrawal proceeds will be delayed. We are not responsible for any loss you consequently suffer.
- As a unitholder who is withdrawing, you agree that any payment made according to instructions received by post, courier or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority.
- You agree that if the payment is made according to these terms, you, and any person claiming on your behalf, shall have no claim against us with regard to the payment.

Withdrawal restrictions

Under the Corporations Act, you do not have a right to withdraw from the Fund if the Fund is illiquid. In such circumstances, you will only be able to withdraw your investment if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. There is no obligation to make such offers.

The Fund will be deemed liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, we may at any time suspend consideration of withdrawal requests or defer our obligation to pay withdrawal proceeds if it is not possible, or not in the best interests of investors or former investors for us to do so, due to circumstances outside our control (such as restricted or suspended trading in a Fund asset).

4. DIGITAL ASSET RISKS

Use and Development of Digital Assets

The use of many digital assets remains low, which may adversely affect their prices. Furthermore, the future development and acceptance of digital assets, which represent a new and rapidly changing ecosystem, is subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of digital assets may adversely affect the investments of the Fund.

Digital Asset Specific Risk

An investment in digital assets may be affected by unexpected changes in the digital asset's operations and software development. The underlying protocol may fail to function and/or may be attacked and rendered in-operational. As a result, the underlying asset of the Fund could face a loss or lose all their value.

Regulatory Risk

Increased regulation may adversely affect and reduce the appeal of Bitcoin and other digital currencies. It is likely that governments worldwide, including in Australia, will continue to explore the benefits, risks, regulations, security, and applications of digital assets. The introduction of new legislation or amendments to existing legislation by governments, or the respective interpretation of the legal requirements in any of the legal jurisdictions in which the Fund invests or operates, could have an adverse impact on the financial performance of the Fund.

Taxation Risk

The taxation treatment of digital assets may change as governments regulate the industry. This could adversely affect the prices of digital assets.

Counterparty Risks

Digital asset exchanges and other third parties (such as electronic wallets and custodians) are subject to hacking or other types of attacks or fraud. There is a risk of counterparties (such as exchanges, wallets and custodians) being hacked or shut down, with the consequence of entities using such third parties (including the Fund) losing their digital assets, digital related instruments such as derivatives and cash balances. Some counterparties offer insurances, which may not be adequate to cover the entirety of the Fund's assets in the event of loss.

Price Volatility Risk

Fluctuations in the price of digital assets could adversely affect holdings of digital assets. Price volatility of digital assets is high.

Operational Risk

A risk exists of loss of funds due to faulty or insufficient policies and routines around security, custody and trading of digital assets. There is a risk of human error or embezzlement by employees or associates. The loss or destruction of any private key required to access digital assets are irreversible. Any loss of access to private keys by the Fund will have an adverse impact on the Fund and its reputation.

Proof of Work Risk

Proof of work is the underlying algorithm that sets the difficulty and rules for the work miners do. Mining is the act of adding valid blocks to the blockchain. The miner who first solves the numeric problem places the next block on the blockchain and claims the rewards for successfully completing a block and confirming the transaction contained in the block. Due to the increasing computation needed, significant amounts of energy is consumed. Mining pools could potentially dominate the industry leading to centralisation and security risks.

5. OTHER IMPORTANT INFORMATION

Taxation

The following tax information is of a general nature and should not be considered as taxation advice as it is not tailored for any specific individual and does not take into account the specific circumstances of each individual investor.

It is recommended that each individual seek independent tax advice before making any investment decision to fully understand how this investment may affect them.

Attribution Managed Investment Trust (“AMIT”)

The Responsible Entity intends to make an irrevocable election for the Fund to be an Attribution Managed Investment Trust (AMIT), which would be subject to the AMIT regime.

The AMIT provisions apply an attribution model whereby the Responsible Entity attributes an amount of trust components of a particular character to investors on a fair and reasonable basis consistent with the operation of the Fund’s Constitution, which includes provisions in relation to AMIT. Under the AMIT rules, the following will apply:

Fair and reasonable attribution: Each year, the Fund’s determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to investors on a “fair and reasonable” attribution basis, rather than being allocated proportionally based on each investor’s present entitlement to the income of the Fund.

Unders or overs adjustments: Where the Fund’s determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

Cost base adjustments: Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor’s units may be increased (or decreased). Details of cost base adjustments will be included on an investor’s annual tax statement, referred to as an AMIT Member Annual Statement (“AMMA”).

Deemed fixed trust status: AMITs are deemed to be a fixed trust for Income tax purposes. This provides certainty about an AMIT’s ability to carry forward and deduct trust losses, and ability to flow Imputation credits to members.

Large withdrawals: In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large withdrawal being attributed to the redeeming investor.

Penalties: In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

The AMIT regime is intended to reduce complexity, increase certainty and reduce compliance costs for managed investment trusts and their investors. Where the Fund does not elect into the AMIT regime, or has made the election but the election is not effective for the income year (e.g. the Fund does not satisfy the requirements to be a managed investment trust for the income year), the Tax Law applicable to non-AMITs should be relevant. In particular, the Fund should not generally pay tax on behalf of its investors and instead, investors should be assessed for tax on any income and capital gains generated by the Fund to which they become presently entitled.

Tax losses incurred by the Fund will remain in the Fund and be available to reduce the Fund’s income in future years (subject to the Fund satisfying the statutory trust loss testing rules).

Taxation Reform

The tax information included in this PDS is based on the taxation legislation and administrative practice as at the issue date of this PDS. However, the Australian tax system is in a continuing state of reform, and based on the Government’s reform agenda, this is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process. These reforms may impact on the tax position of the Fund and its investors. Accordingly, it will be necessary to closely monitor the progress of these reforms, and investors should seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the

Fund.

Tax File Number (“TFN”) and Australian Business Number (“ABN”)

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions or attribution of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

By quoting their TFN or ABN, the investor authorises the Responsible Entity to apply it in respect of all the investor’s investments with us. If the investor does not want to quote their TFN or ABN for some investments, the Responsible Entity should be advised.

Goods and Services Tax (GST)

The Fund is registered for GST. The issue or withdrawal of units in the Fund and receipt of distributions are not subject to GST.

The Fund may be required to pay GST included in management and other fees, charges, costs and expenses incurred by the Fund. However, to the extent permissible, the Responsible Entity will claim on behalf of the Fund a proportion of this GST as a Reduced Input Tax Credit (RITC). Unless otherwise stated, fees and charges quoted in this PDS are inclusive of GST and take into account any available RITC. If the Responsible Entity is unable to claim input tax credits on behalf of the Fund, the Responsible Entity retains the ability to recover the entire GST component of all fees and charges.

The impact of GST payments and credits will be reflected in the unit price of the Fund. Investors should seek professional advice with respect to the GST consequences arising from their investment in the Fund.

Australian Taxation of Australian Resident Investors

Distributions

For each year of income, each Australian resident investor will be required to include within their own tax calculations and tax return filings the assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund attributed to them by the Responsible Entity.

The tax consequences for investors in the Fund depends on the tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) attributed to them.

Investors will receive an annual AMMA statement detailing all relevant taxation information concerning attributed amounts and cash distributions. This will include any Foreign Income Tax Offset (“FITO”) and franking credit entitlements, returns of capital, assessable income, and any upwards or downwards cost base adjustment in the capital gains tax cost base of their units in the Fund.

An investor may receive their share of attributed tax components or net income where they have made a large withdrawal from the Fund. In this case their withdrawal proceeds may include their share of net income or attributed tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits). In addition, because Australian investors can move into and out of the Fund at different points in time, there is the risk that taxation liabilities in respect of gains that have benefited past investors may have to be met by subsequent investors.

Foreign Income

The Fund may derive foreign source income that is subject to tax overseas, for example withholding tax. Australian resident investors should include their share of both the foreign income and the amount of the foreign tax withheld in their assessable income. In such circumstances, investors may be entitled to a FITO for the foreign tax paid, against the Australian tax payable on the foreign source income. To the extent the investors do not have sufficient overall foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year.

Disposal of Units by Australian Resident Investors

If an Australian resident investor transfers or redeems their units in the Fund, this may constitute a disposal for tax purposes depending on their specific circumstances.

Where an investor holds their units in the Fund on capital account, a capital gain or loss may arise on disposal and each investor should calculate their capital gain or loss according to their own particular circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount may be allowed where the units in the Fund have been held for 12 months or more.

Australian Taxation of Non-Resident Investors

Tax on Income

The Fund expects to derive income which may be subject to Australian withholding tax when attributed by the Responsible Entity of the Fund to non-resident investors.

Australian withholding tax may be withheld from distributions of Australian source income and gains attributed to a non-resident investor. The various components of the net income of the Fund which may be regarded as having an Australian source include Australian sourced interest, Australian sourced other gains, Australian sourced dividends and CGT taxable Australian property.

We recommend that non-resident investors seek independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant Double Taxation Agreement/ Exchange of Information Agreement (“EOI”) between Australia and their country of residence.

Disposal of Units by Non-Resident Investors

Based on the Fund’s investment profile, generally non-resident investors holding their units on capital account should not be subject to Australian capital gains tax on the disposal of units in the Fund unless the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the non-resident holds their units on revenue account. CGT may also apply in some cases where the Fund has a direct or indirect interest in Australian real property.

We recommend that non-resident investors seek independent tax advice in relation to the tax consequences of the disposal of their units.

Your privacy

The Australian Privacy Principles contained in the *Privacy Act 1988* (Cth) (“Privacy Act”) regulate the way in which we collect, use, disclose, and otherwise handle your personal information. The Responsible Entity is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, it may be necessary to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, we may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to the Responsible Entity is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Administrator directly. We may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, the Responsible Entity will use it for the purpose of providing you with our products and services and complying with regulatory obligations. We may also disclose it to other members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

The types of third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Custodian and Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

Holon may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” of such communications by contacting us using the contact details above.

In addition to the above information, Holon’s Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of Holon’s Privacy Policy are available at holon.investments.

The Constitution

The Fund is governed by a constitution that sets out the Fund's operation (the "Constitution"). The Constitution, together with the Fund's PDS, the Corporations Act and other laws, regulate our legal relationship with investors in the Fund. If you invest in the Fund, you agree to be bound by the terms of the Fund's PDS and the Fund's Constitution. You can request a copy of the Constitution free of charge. Please read these documents carefully before investing in the Fund.

We may amend the Constitution from time to time in accordance with the provisions of the Constitution and the Corporations Act.

Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require the Responsible Entity to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Holon's up-to-date information must be maintained about investors (including beneficial owner information).

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws.

In order to comply with AML/CTF Laws, the Responsible Entity may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). We may be prohibited by law from informing applicants or investors that such reporting has occurred.

The Responsible Entity shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("U.S."), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. Persons (residents) and U.S. controlling persons that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

Common Reporting Standard ("CRS")

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

6. INFORMATION FOR NEW ZEALAND INVESTORS

Warning Statement

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is sub-part 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities for this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

7. TERMS USED IN THIS REFERENCE GUIDE

Application Form

The application form that accompanies the PDS.

Account

The account held at your financial institution from which we are authorised to arrange for funds to be debited.

Agreement

This Direct Debit Request Service Agreement between you and us.

APRA

Australian Prudential Regulation Authority.

ASIC

Australian Securities and Investments Commission.

ATO

Australian Taxation Office.

AUSTRAC

Australian Transaction Reports and Analysis Centre.

Banking Day

A day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

Business Day

A day other than a Saturday or Sunday on which banks are open for general banking business in Sydney, NSW.

Buy/Sell Spread

The difference between the Application Price and Withdrawal Price of units in the Fund, which reflects the estimated transaction costs associated with buying or selling the assets of the Fund, when investors invest in or withdraw from the Fund.

Constitution

The document which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in for the Fund, as amended from time to time.

Corporations Act

The *Corporations Act 2001* (Cth) and *Corporations Regulations 2001* (Cth), as amended from time to time.

Debit day

The day that payment by you to us is due.

Debit payment

A particular transaction where a debit is made.

Direct Debit Request

The Direct Debit Request in the application form or additional application form.

Fund

Holon Bitcoin Fund ARSN 659 090 294.

Gross Asset Value or GAV

Value of the investments of the Fund before deducting certain liabilities including income entitlements and contingent liabilities.

GST

Goods and Services Tax.

IDPS

Investor Directed Portfolio Service. An IDPS service is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers, with the IDPS operator providing the investor with consolidated and streamlined transaction statements and other reporting.

IDPS Operator

An entity that operates and offers an IDPS.

Indirect Investor(s)

Individual(s) who invest in a Fund through an IDPS.

Net Asset Value or NAV

The value of assets of the Fund, less the value of the liabilities of the Fund.

KYC

Know Your Customer.

U.S.

United States of America.

U.S. Person

A person classified under securities or tax law in the U.S. includes, in broad terms, the following persons:

- (a) any citizen of, or natural person resident in, the U.S., its territories or possessions; or
- (b) any corporation or partnership organised or incorporated under any laws of or in the U.S. or of any other jurisdiction if formed by a U.S. Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or
- (c) any agency or branch of a foreign entity located in the U.S.; or
- (d) a pension plan primarily for U.S. employees of a U.S. Person; or
- (e) a U.S. collective investment vehicle unless not offered to U.S. Persons; or
- (f) any estate of which an executor or administrator is a U.S. Person (unless an executor or administrator of the estate who is not a U.S. Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-U.S. law) and all the estate income is non-U.S. income not liable to U.S. income tax; or
- (g) any trust of which any trustee is a U.S. Person (unless a trustee who is a professional fiduciary is a U.S. Person and a trustee who is not a U.S. Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a U.S. Person); or
- (h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; or
- (i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the U.S. for the benefit or account of a U.S. Person.

Us or we

Refers to Holon Investments Australia Limited.

You

The customer who has signed or authorised by other means the Direct Debit Request.

Your financial institution means the financial institution nominated by you on the DDR at which the account is maintained.