

Holon Photon Fund

Reference Guide

Issue Date 11 July 2022

ABOUT THIS REFERENCE GUIDE

This Reference Guide ("RG") dated 11 July 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 Photon Fund ("Fund") dated on 11 July 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 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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1. FEATURES AND BENEFITS

Fund Overview

The Fund aims to outperform major global equity indices, in particular the MSCI AC World Net Index (in Australian dollars) (**Benchmark**) over rolling seven-year periods (after fees and expenses but before taxes), by focusing on shares in companies listed on the ASX and other markets globally that are benefiting primarily from global innovation. For example, the Fund will focus on digital innovation enabling and driving a number of new emerging sectors and companies which fall within the investment strategy. This kind of geographical and sectoral diversification lowers the concentration risk inherent in the typical Australian portfolio, with its heavy skew toward banks, resources and the Australian dollar.

The Fund will not invest in derivatives, sell-short or borrow money to invest.

Investment strategy

Holon's strategy for the Fund is to invest in listed companies with global opportunity sets benefiting primarily from innovation. In particular, the Fund will focus on digital innovation enabling and driving a number of new emerging sectors and companies with the unusual economic characteristics of having strong network effects and the ability to scale rapidly and serve global markets.

Holon has a portfolio of approximately 10-30 companies, with no single investment being larger than 10% of the portfolio. The Fund may hold up to 25% in cash and cash equivalents.

Investee companies will typically hold the following attributes:

1. A global opportunity set: The company has a product or service offering distributed globally or has the potential over-time to be distributed globally.
2. A quality company in an attractive industry: Competitive advantages allowing the company to generate sustainable superior returns, preferable within an attractive industry structure.
3. Run by competent and capable people with integrity: Without integrity, intelligence and hard work amounts to nothing. In particular, we are focused on evaluating management's effectiveness with regards to strategy, execution and governance in capital allocation.
4. Within Holon's circle of competence: Our ability to correctly evaluate selected businesses drives our success. We therefore stick within our area of expertise and focus where we have competitive advantage in knowledge and understanding.
5. Available at a price Holon considers reasonable: We value businesses based on the stream of free cash flow they are expected to generate and compare to current market prices.

There will also be a preference for companies with conservative financial settings. While the Fund can invest in any industry or industry segment, the focus will mainly be within the consumer, financials, technology and transport sectors of the economy. The criteria above will provide a broadly diversified portfolio of businesses from a fundamental perspective. The Fund will be aware of concentration and correlation risks, with the central focus being on minimising the risk of permanent loss of capital. Exposure to currencies will be monitored on a look through basis but the Fund will be managed on an unhedged basis.

Holon employs a probability-based investment process. Deep, fundamental research is conducted on each business that is considered for the portfolio. Each business is valued by discounting the expected future cash flows that is assessed against qualitative factors. Final portfolio allocations are a function of the probability of achieving the return objective.

2. INVESTING IN THE HOLON PHOTON FUND

Application cut-off times

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

- before 11:00am (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 11:00am (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.

3. 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 One Registry Services Pty Limited (One Registry) by electronic means, such as an email or facsimile, the investor releases Holon and/or One Registry from and indemnifies Holon and/or One Registry against, all losses and liabilities arising from any payment or action Holon and/or One Registry makes based on any instruction (even if not genuine) that Holon and/or One Registry receives by an electronic communication bearing the investor's investor code and which appears to indicate to Holon and/or One Registry 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 One Registry 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.

4. WITHDRAWING YOUR INVESTMENT

Withdrawal cut-off times

If we receive a withdrawal request:

- before 11:00am 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 11:00am 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).

5. RISKS OF MANAGED INVESTMENT SCHEMES

In addition to the significant risks for the Fund set out in Section 4 of the PDS, the following risks are specific to the Fund.

Operational risk

Operational risk addresses the risk of trading and back office or administration issues that may result in a loss to the Fund's portfolio. This could be the result of oversight, ineffective security processing procedures, computer system problems or human error. Holon has instituted certain practices and processes within their respective operations and business administrations designed to wherever possible mitigate the operational risk consequences that arise.

Investment risk generally

When deciding whether to invest in the Fund, you must decide whether, given the nature of the investments of the Fund, your financial situation

permits you to participate in an investment that involves a high degree of risk. Put simply, it is possible you may lose a portion of the money you invest. There is a risk that changes in economic conditions, including but not limited to interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws can affect substantially and adversely the business and prospects of the Fund. None of these conditions are within our control, or the Investment Manager's, and no assurances can be given that such developments will be anticipated.

Redemption risk

We expect the Fund will be liquid which means you are able to send withdrawal requests to us to be processed within 30 days of receipt by One Registry of your withdrawal request. However, if withdrawal requests that are received in any one Business Day exceed 5% of the NAV of the Fund, then we may (at our discretion) reduce each request on a pro-rata basis so that only Units equal to 5% of the NAV of the Fund are redeemed. If this occurs, then any part of your withdrawal request that is not satisfied will be automatically held over to the next Business Day and each subsequent Business Day on the same pro-rata basis until such Units are able to be redeemed. There is therefore a risk you may not be able to access all of your money when you make a withdrawal request even if the Fund is liquid.

Investors should regard their investment in the Fund as medium to long term. If at any time the Fund has illiquid assets which comprise 20% or more of the Fund's total assets, then the Fund will be considered 'illiquid', in which case you can only withdraw from the Fund if we make a withdrawal offer to all Investors holding the same class of Units.

Legal risk

The Fund may be affected by the actions of governments and regulatory bodies. Legislation could be imposed retrospectively or may be issued in the form of internal regulations of which the public may not be aware. Legislation (including legislation relating to tax) or regulation may be introduced which inhibits the Fund from pursuing its strategy or which renders an existing strategy less profitable than anticipated. These actions may take any form and may be imposed without prior warning by any regulator. This risk is generally higher in developing countries.

Structural risk

Investing in a managed fund is not like investing directly in the underlying assets of the Fund. Investing in a managed fund may result in different income and capital gains outcomes when compared with investing directly.

International risk

An overseas-based sub-custodian may be appointed to hold all or some of the Fund's global assets. If an overseas-based sub-custodian is appointed, then it may not be required to comply with all the obligations that are applied to Australian-based custodians or sub-custodians in relation to the holding of those assets on behalf of the Fund. The Responsible Entity's ability to quickly recover all the Fund's assets in the event of the insolvency of an international custodian or sub-custodian may differ from the rights the Fund would have against an Australian-based custodian or sub-custodian.

6. ADDITIONAL EXPLANATION OF FEES AND COSTS

Example of when a performance fee will be payable

An example of how the performance fee is calculated is set out below.

The example below is provided for illustrative purposes only and does not represent any actual or prospective performance of the Fund.

We do not provide any assurance that the Fund will achieve the performance used in the example and you should not rely on this example in determining whether to invest in the Fund.

Assumptions:

- The percentage movement in the MSCI AC World Index from the start of the Performance Period to the end of the Performance Period is 5.0%
- The Fund's performance hurdle for the Performance Period is hence 5.0%
- The Fund's 'investment return' for the Performance Period is 10.0%
- The Fund's 'investment return' for the Performance Period is assumed to accrue evenly over the course of the Performance Period
- The Fund's 'investment return' with reference to which the performance fee is calculated is a return for the Performance Period assuming no distributions are paid in the period
- The High-Water Mark has been exceeded such that there are no negative performance fee amounts for previous Performance Periods to be carried forward.

On the basis of the above assumptions and if you had an investment in the Fund of \$100,000 at the beginning of the Performance Period and you made no applications or withdrawals during the Performance Period, your investment would bear a performance fee expense inclusive of GST and net of any applicable reduced input tax credits (RITC) of approximately \$547.50 for the Performance Period.

Based on an investment of \$100,000 at the beginning of the Performance Period	\$100,000
Holon Photon Fund MSCI AC World Index	5.00%
Funds Investment Return	10.00%
Outperformance	5.00%
Management Fee	0.85%
Outperformance (net of management fee)	4.15%
Performance Fee to be applied to the NAV	0.6225%
Performance Fee	\$622.50

The historical average for the performance fee since the Fund's inception is \$94,401 per annum. In any year, this historical average will differ depending on the performance of the Fund and its underlying investments.

The historical average has been calculated on performance fees paid from the Fund as follows:

	2020	2021	2022	Average
Performance fees (%)	2.10%	1.00%	0.00%	1.18%
Performance (\$)	\$23,821	\$164,981	\$0	\$62,934

7. 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.

8. 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.

9. 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.

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.

Fund

Holon Photon Fund ARSN 633 803 497.

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.

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.