

## Product Disclosure Statement

# Holon Photon Fund

### IMPORTANT INFORMATION

This PDS contains a summary of significant information in relation to the Holon Photon Fund ARSN 633 803 497 (**Fund**). It also includes references to additional important information (all of which forms part of this PDS) contained in the document titled 'Additional Information Booklet' that can be obtained at no cost by calling One Managed Investment Funds Limited on (02) 8277 0000 or by downloading it from [www.oneinvestment.com.au/photon](http://www.oneinvestment.com.au/photon). You should read both the PDS and the Additional Information Booklet before making a decision about whether to invest in the Fund.

The information provided in this PDS and the Additional Information Booklet is general in nature and does not take into account your personal financial situation or needs. You should seek independent financial advice tailored to your own needs before making a decision about whether to invest in the Fund.

All dollar amounts are in Australian dollars unless otherwise indicated. This PDS does not constitute an offer or invitation in any jurisdiction other than in Australia. Applications from outside Australia will not be accepted through this PDS. For the avoidance of doubt, Units are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws.

None of One Managed Investment Funds Limited, Holon Global Asset Management Pty Ltd or any of their related entities, directors or officers guarantee the repayment of capital, the receipt of distributions or the performance of the Fund.

### UPDATED INFORMATION

Information in this PDS is subject to change from time to time and may be updated by us if it is not materially adverse to you. Updated information can be obtained at any time from [www.oneinvestment.com.au/photon](http://www.oneinvestment.com.au/photon). A copy of updated information will also be provided to you free of charge upon request by contacting One Managed Investment Funds Limited as per details provided above.

### HOLON PHOTON FUND ARSN 633 803 497

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One Managed Investment Funds Limited ACN 117 400 987

AFS licence number 297042

#### INVESTMENT MANAGER

Holon Global Asset Management Pty Ltd ACN 629 590 585 is a corporate authorised representative (number 1276082) of Atlas Funds Management Pty Ltd ACN 612 499 528 AFS licence number 491395.

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## 1. ABOUT ONE MANAGED INVESTMENT FUNDS LIMITED

One Managed Investment Funds Limited (**Responsible Entity** or **we, us or our**) is the issuer of this PDS and of Units in the Fund. We are the responsible entity for the Fund (**Responsible Entity**) and have appointed Holon Global Asset Management Pty Ltd ACN 629 590 585 as the investment manager of the Fund (**Investment Manager**). As responsible entity of the Fund, our role is to ensure the operation of the Fund is in accordance with the Corporations Act.

### 1.1 The Responsible Entity

The Responsible Entity is part of One Investment Group (OIG). OIG is an independent Australian funds management business established to provide responsible entity, trustee, corporate trust and administration services. OIG specialises in a range of asset classes including real estate, private equity, fixed income, credit and equities.

### 1.2 About the Investment Manager

The Investment Manager, Holon Global Asset Management Pty Ltd (**HGAM**), is focused on innovation and investor aligned wealth management. HGAM was formed to capitalise on the opportunities created by companies benefiting from technological change, with a particular focus on digital innovation enabling and driving globally scalable business models, and to support better alignment between investor's interests and the investment manager's decision making environment.

### 1.3 The Custodian

The Fund's assets will be held by the Responsible Entity or another appropriately licensed custodian appointed by the Responsible Entity. The role of the custodian is limited to holding those assets of the Fund not held by the Responsible Entity and the custodian has no supervisory role in relation to the operation of the Fund. The custodian does not make investment decisions in respect of the assets held or manage those assets and has no liability or responsibility to investors in the Fund. We may change the

appointed custodian from time to time, without notice to you.

## 2. HOW THE FUND WORKS

**You should read the important information about how the Fund works in the Additional Information Booklet before making a decision to invest in the Fund. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/photons](http://www.oneinvestment.com.au/photons); in particular, Section 5 'Distributions' and Section 6 'Investing in the Fund'. The material relating to how the Fund works may change between the time when you read this PDS and the day when you acquire the product.**

The Fund is structured as a unit trust and is registered as a managed investment scheme under the Corporations Act. Unit trusts enable investors to pool their money with that of other investors and this pooled money is then managed by an investment manager. As an Investor you have a fixed beneficial interest in the assets of the Fund calculated as the proportion your Unit holding bears to all of the Units in the Fund which have been issued. You do not, however, have a right to demand any particular assets of the Fund be transferred to you. Investing in the Fund allows Investors to access what they may otherwise not be able to access independently, including the services of an investment manager.

### Unit prices

The Unit price is the price at which Units are issued and redeemed (and before the application of the buy/sell spread of +/- 0.15%). Unit pricing will be undertaken each Business Day and will be determined by dividing the net asset value of the Fund by the number of Units on issue. Therefore, the Unit price will vary as the market value of the Fund's assets and liabilities vary. The calculation of the Unit price is governed by a unit pricing policy, which is available to Investors from us upon request. The net asset value of the Fund is the value of the Fund's assets less the liabilities of the Fund at the time it is calculated. The application price of Units will be the Unit price plus the buy spread, while the withdrawal price of Units will be the Unit price minus the sell spread. The buy/sell spread is explained further in Section 3.6 of the 'Additional Information Booklet'.

### 2.1 Applications

To invest in the Fund, you will need to complete an Application Form (see Section 8 of the PDS for more information). You can add to your investment at any time by completing and sending us an additional investment form, together with your investment amount.

#### Minimum investment

The minimum initial investment amount is \$5,000. However, we may accept lesser application amounts at our discretion.

The number of Units issued to you when you make an investment will be calculated by dividing the amount you invest by the applicable application price.

We may decline to extend, or may withdraw, an invitation to invest in the Fund at any time. Neither the Responsible Entity, the Investment Manager nor any other person accepts any liability to any recipient of this PDS for costs incurred or losses suffered if an invitation is withdrawn for any reason or if an application is refused in whole or in part. The Responsible Entity reserves the right to accept or reject any applications in its absolute discretion.

#### Processing applications

The cut-off time for receiving applications is 11.00am (Sydney time) on each Business Day. Completed applications received before the cut-off time will be processed using the application price applicable for that Business Day. Completed applications

received after this time will be taken to have been received before the cut-off time on the next Business Day and will be processed on that day. Confirmation of an investment will normally be issued within five Business Days of the investment being processed.

Applications will not be considered "completed applications" and will not be processed until all required documentation (including any requested AML/CTF documentation) and your application money in cleared funds is received. Completed applications will be processed using the Unit price that applies on the Business Day the correct documentation and cleared funds are received. Interest will not be paid to you on your application money.

### 2.2 Withdrawals

When the Fund is liquid (as defined in the Corporations Act) you can withdraw all or some of your Units by completing a redemption request form and submitting your form to us. Redemption request forms are available at [www.oneregistryservices.com.au/investor-centre/](http://www.oneregistryservices.com.au/investor-centre/).

#### Minimum withdrawal

The minimum withdrawal amount is \$5,000. However, should your withdrawal request result in your investment balance falling below \$5,000, the Responsible Entity may redeem your investment balance in the Fund in full and have it paid to you, less any applicable fees. We may accept smaller minimum holding amounts for Investors at our discretion.

#### Processing withdrawals

The cut-off time for receiving withdrawal requests for Units is 11.00am (Sydney time) on each Business Day.

Withdrawal requests received before the cut-off time will generally be processed using the withdrawal price applicable for that Business Day. Withdrawal requests received after the cut-off time will be taken to be received on the next Business Day and will be processed on that day at that day's withdrawal price.

Withdrawal proceeds are usually paid within 10 days following the Business Day on which your withdrawal request is approved for processing, although the Constitution allows 30 days to decide to accept a request and a further up to 21 days to pay the proceeds. In certain circumstances, such as a freeze on withdrawals or where the Fund is not liquid (as defined in the Corporations Act), you may not be able to withdraw your investment during the usual period.

If, in a day, we receive requests for withdrawals for an aggregate value of more than 5% of the net asset value 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 net asset value of the Fund are redeemed on the relevant withdrawal date. If this occurs, then any part of your withdrawal request that is not satisfied will be automatically held over to the next withdrawal date until all Units the subject of your withdrawal request are redeemed.

**You should read the important information about adding to your investment and withdrawing from your investment before making a decision to invest in the Fund. The material relating to investing and withdrawing may change between the time when you read this PDS and the day when you acquire the product.**

### 2.3 Income distributions

A Unit entitles you to participate in any income generated from the assets of the Fund. All income distributions will be automatically reinvested in additional Units unless you opt to have distributions paid to your nominated account in the Application Form. The buy spread is not applied to reinvested distributions. Please note there may be tax implications for you on distributions reinvested on your behalf. If you wish to change your election after submitting your Application Form a distribution

payment election form is available by contacting the Registrar on (02) 8188 1510 or downloading a form from [www.oneregistryservices.com.au/investor-centre/](http://www.oneregistryservices.com.au/investor-centre/).

### Frequency of distributions

The Fund expects to make distributions on an annual basis. Subject to the Constitution, distributions (if any) will generally be paid within three months after 30 June of each year. Distributions are expected but not guaranteed and may not be payable for a number of reasons, such as market volatility and losses being incurred by the Fund.

### How distributions are calculated

Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of Units on issue. We generally distribute all taxable income to Investors each year, including the net capital gains of the Fund. Investors should be aware that an investment in the Fund carries the risk that you may lose some of your investment (see Section 4 of the PDS).

## 3. BENEFITS OF INVESTING IN THE FUND

### Significant features

The Fund's investment objective is 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 listed on the ASX and other global exchanges benefiting primarily from technological innovation. For example, 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. 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.

### Significant benefits

The investment strategy of the Fund acknowledges that the accelerating pace of innovation needs to be addressed and offers an alternative to funds that are heavily skewed to traditional Australian blue-chips like banks and resources. Investing in the Fund offers significant benefits, including the following:

- Access to an active investment strategy that seeks to outperform the Benchmark over time;
- Unique investment opportunities and diversification that individual investors usually cannot achieve on their own;
- A risk management process that manages different levels of investment risk relative to anticipated investment returns;
- Participation in any income distributions from the Fund; and
- Investor communications including quarterly updates and annual tax statements to keep you up to date on your investment in the Fund.

## 4. RISKS

**You should read the important information about the risks of managed investment schemes before making a decision to invest in the Fund. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/photon](http://www.oneinvestment.com.au/photon); in particular, Section 2 'Risks of managed investment schemes'. The material relating to risks of investing may change between the time when you read this PDS and the day when you acquire the product.**

All investments carry risk. The likely investment return and the level of risk of losing money differs among managed investment schemes depending on the underlying mix of assets. Generally, the higher the level of risk you are prepared to accept, the higher potential returns or losses. Assets with the highest long term returns may also carry the highest level of short term risk. Growth assets, such as shares and property, are generally considered the most volatile assets, as they are likely to experience greater fluctuations in value than defensive assets, such as fixed income and cash. When considering investing in any managed investment scheme, it is important to understand that –

- the value of investments will vary;
- the level of returns will vary, and future returns may differ from past returns;
- returns are not guaranteed, and you may lose some of your money;
- laws affecting your investment in a managed investment scheme may change;
- the appropriate level of risk for you will depend on a range of factors including your age, investment time frames, where other parts of your wealth are invested and how tolerant you are to the possibility of losing some of your money in some years; and
- past performance is not an accurate predictor of future performance.

The significant risks for the Fund are as follows:

**MARKET RISK:** Investment returns are influenced by the performance of the market as a whole. Economic, technological, political and legal factors and market sentiment can change. These changes may affect the value of investment markets, the Fund's investments and the value of the Units.

**PORTFOLIO CONCENTRATION RISK:** The Fund typically invests in 10 to 30 companies. This means the Fund may invest a relatively high percentage of its assets in a limited number of stocks, or in stocks in a limited number of sectors or industries, which may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than its Benchmark.

**STRATEGY RISK:** The Fund will invest primarily in companies listed on the ASX and other markets globally that are benefiting primarily from the digital transformation of the global economy. Investing in companies such as these can generate higher returns if the technologies and strategies employed by the company are successfully implemented. Conversely, investee companies can perform poorly if their technology is overtaken or disrupted by competitors.

**INVESTMENT SPECIFIC RISK:** The price of a specific investment of the Fund may be affected by market risk (above) but also by factors which are specific to that investment; for example, if key individuals responsible for the operation of the companies the Fund invests in are no longer able to fulfil their roles and suitable replacements cannot be found, then this may impact the performance of those companies, and indirectly, the Fund's returns.

**FUND RISK:** Risks specific to the Fund include the risk that the Fund could terminate and that the fees and costs payable by the Fund could change. There is also a risk that investing in the Fund may give different results than investing individually in the underlying assets because of income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other Investors.

**LIQUIDITY RISK:** Under abnormal or difficult market conditions some normally liquid assets may become illiquid, restricting our ability to sell them and to make withdrawal payments for investors without a potentially significant delay.

**CURRENCY RISK:** The Fund is denominated in Australian dollars and invests in companies which are listed and hold underlying investments globally. If the values of a country's currency changes relative to the Australian dollar, the value of the investments of the Fund may change. The Fund is managed on an unhedged basis so it is fully exposed to currency movements.

**INVESTMENT MANAGER RISK:** Like other investment managers, the Investment Manager's approach directly impacts the value of the Fund's performance. There is no guarantee the Fund will achieve its performance objective or produce results that are positive. Changes in key personnel within the Investment Manager may also impact on the Fund's future return. In addition, the Investment Manager has been appointed as a corporate authorised representative of Atlas Funds Management Pty Ltd ACN 612 499 528 AFS licence number 491395. If the Investment Manager loses its authorised representative appointment, then there is a risk that it will no longer be able to manage the Fund's assets. This could result in the Fund suffering losses.

## 5. HOW WE INVEST YOUR MONEY

**You should read the important information about how we invest your money before making a decision to invest in the Fund. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/photon](http://www.oneinvestment.com.au/photon); in particular, Section 1 'Features and benefits'. The material relating to how we invest your money may change between the time when you read this PDS and the day when you acquire the product.**

**You should consider the likely investment return, the risk and your investment timeframe when choosing to invest in the Fund.**

### 5.1 Investment strategy

The Investment Manager'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. The Fund will be unhedged and will not employ derivatives.

### 5.2 Investment return objective

The Fund aims to outperform major global equity indices, in particular the MSCI AC World Net Index (in Australian dollars) over rolling seven-year periods (after fees and expenses but before taxes).

Please note, this objective is not a forecast. The Fund may not be successful in meeting its investment return objective. Returns are not guaranteed.

### 5.3 Other key features

Minimum suggested investment time frame: Seven years.

Risk level: High risk of short term loss compared to other investments types but with the potential to deliver higher

investment returns over the minimum suggested timeframes.

## 6. FEES AND COSTS

### DID YOU KNOW?

**Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees where applicable. Ask the Fund or your financial adviser.**

### TO FIND OUT MORE

If you would like to find out more or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

Table 1 shows fees and other costs that you may be charged and can be used to compare costs between different simple managed investment schemes. These fees and costs may be paid directly from the money you invest or deducted from investment returns or the Fund's assets as a whole. Taxes are set out in another part of this document. The tax treatment of distributions is discussed in Section 4 of the 'Additional Information Booklet'. The fees set out in the table below are inclusive of GST and less any reduced input tax credits expected to be available. You should read all the information about fees and costs as it is important to understand their impact on your investment.



Table 1

Fees and costs summary		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs</b> The fees and costs for managing your investment	0.85% per annum of the gross value of the Fund's assets.	This fee accrues daily and is reflected in the Unit price. It is paid monthly in arrears—see below for details. <sup>1</sup>
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	15% of the amount by which the Fund's returns (after fees and expenses but before taxes) exceed the Benchmark and subject to the High Water Mark. The historical average for the performance fee since the Fund's inception is 1.5% p.a of the Fund's net assets.	This fee accrues daily and is reflected in the Unit price. This fee is not always payable. If payable, it is paid each Performance Period to the Investment Manager—see below for details. <sup>2</sup>
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	0% of the gross value of the Fund's assets.	Payable when incurred. Payable from the Fund's assets and reflected in the Unit price. <sup>3</sup>
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	+/- 0.15%	Retained as an asset of the Fund at the time Units are issued or redeemed. <sup>4</sup>
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

1. See the 'Management fees and costs' section below for more information. This amount assumes no Abnormal Expenses have been incurred by the Fund. The Investment Manager pays the Ordinary Expenses; however, this does not affect the characterisation of Ordinary Expenses for disclosure purposes. Any Abnormal Expenses will be paid from the assets of the Fund and may result in an amount greater than the management fees and costs shown in the table above.
2. See 'Performance fee' in Section 3 of the Additional Information Booklet for more information. 3. See the 'Transaction costs' in Section 3 of the Additional Information Booklet for more information. 4. No buy spread is applied to reinvested distributions.

**You should read the important information about fees and costs before making a decision to invest in the Fund. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/photon](http://www.oneinvestment.com.au/photon); in particular, Section 3 'Additional explanation of fees and costs'. The material relating to fees and costs may change between the time when you read this PDS and the day when you acquire the product.**

## 6.1 Example of annual fees and costs

Table 2 below gives an example of how the fees and costs for this Fund can affect your investment over a one-year period if you only hold Units. You should use this table to compare this product with other managed investment products.

This table gives an example of how the ongoing annual fees and costs for this Fund can affect your investment over a 1-year period. You should use this table to compare this product with other managed investment products.

Table 2

EXAMPLE	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR	
<b>Contribution Fees</b>	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS Management fees and costs</b>	0.85% <sup>1</sup>	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment <b>\$425.00</b> each year
<b>PLUS Performance fees</b>	1.53% <sup>2</sup>	<b>And</b> , you will be charged or have deducted from your investment <b>\$766.56</b> in performance fees each year
<b>PLUS Transaction costs</b>	0% <sup>3</sup>	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in transaction costs
<b>EQUALS Cost of Fund</b>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs in the range of: <b>\$425.00 to \$467.50<sup>4</sup></b> <b>What it costs you will depend on the fees you negotiate.</b>

1. This amount is the management fee which currently applies plus the costs including indirect costs incurred in the previous financial year. 2. This is the historical average performance fee charged for the Fund since inception. Performance fees vary from year to year according to the Fund's actual performance and can be zero in any financial year. 3. Please see Section 3 in the Additional Information Booklet for more information. 4. Depending on the time during the year when you make the additional contribution

## 6.2 Management fee

The Investment Manager is entitled to a management fee equal to 0.85% per annum of the gross value of the Fund's assets.

The management fee is accrued daily and is payable to the Investment Manager monthly in arrears out of the Fund's assets. For example, if the value of the Fund is constant at \$10 million for a year, then the Investment Manager will be entitled to a fee equal to \$7,083 per month.

## 6.3 Performance fee

The Investment Manager may also be entitled to receive a performance fee. The performance fee (if any) is calculated and payable out of the assets of the Fund in respect of each period of 6 months (or shorter period in the Fund's first and last year) ending on 30 June and 31 December in each year (**Performance Period**) during the continuance of the Investment Management Agreement. It is charged subject to the High Water Mark such that any underperformance must be recovered prior to a performance fee being paid.

The performance fee per Unit amount will be 15% of the amount by which the percentage change in the net asset value per Unit in the Fund (including any distributions paid during the Performance Period) exceeds the percentage change in the Benchmark over the Performance Period, multiplied by the net asset value per Unit. An example of how the performance fee is calculated is set out in Section 3.1 of the 'Additional Information Booklet'.

## 6.4 Fees payable to the Responsible Entity

The following fees will be paid by the Investment Manager:

- a) An annual fee equal to 0.06% per annum of gross asset value of the Fund's assets, subject to a minimum fee of \$56,073 per annum. The minimum annual fees referred to above will increase on 1 July each year by the greater of 3% and CPI.
- b) An annual fee for the provision of custodial services of 0.03% per annum of gross asset value of the Fund's assets subject to a minimum fee of \$25,462 per annum. The minimum annual fees referred to above will increase on 1 July each year by the greater of 3% and CPI.

The constitution provides for a maximum Responsible Entity fee of up to 2.0% per annum and a maximum custody fee of up to 1.0% per annum; in each case calculated on the gross asset value of the Fund's assets may be charged to the Fund. The circumstances in which the Responsible Entity may increase the fees are explained in Section 6.8 of the PDS below.

All fees referred to above are expressed exclusive of GST and any applicable reduced input tax credits (RITC).

## 6.5 Removal fees

The Responsible Entity is entitled to be paid a removal fee if it is replaced in certain circumstances. The Responsible Entity's removal fee equates to the amount of the balance of the Responsible Entity fee and the balance of the custody fee it would have received if it had remained the responsible entity of the Fund for four years from 31<sup>st</sup> July 2019 if:

- a) it is removed as responsible entity of the Fund before 31<sup>st</sup> July 2023, other than for gross negligence or for a material breach of fiduciary duty to investors which causes them substantial loss; or
- b) it retires as responsible entity of the Fund before 31<sup>st</sup> July 2023 at the request of the Investment Manager in accordance with the Investment Management Agreement.

This removal fee, if payable, is payable from the assets of the Fund.

## 6.6 Operating costs and expenses

The Constitution allows the Responsible Entity to pay all costs and expenses properly incurred in running the Fund from assets of the Fund. However, the Investment Manager has agreed that it will pay the Ordinary Expenses of the Fund from its own funds. Any Abnormal Expenses will be charged to the Fund, unless otherwise agreed with the Investment Manager.

However, if the Investment Manager is unable to meet any expenses, then the Responsible Entity is entitled to pay or recover all the expenses incurred in running the Fund from the assets of the Fund.

## 6.7 Abnormal Expenses

Abnormal Expenses are expenses not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year. These expenses are due to abnormal events and include (but are not limited to) the cost of convening and hosting a meeting of Investors, preparing a new offer document for the Fund, legal expenses incurred to comply with laws or commencing or defending legal proceedings. The Investment Manager is not responsible for payment of Abnormal Expenses, which means they will be paid from the assets of the Fund as and when they are incurred, and not by the Investment Manager, unless otherwise agreed with the Investment Manager.

## 6.8 Changes to fees

The Constitution allows for higher fees to be charged than those detailed in this PDS (see Section 3.3 in the 'Additional Information Booklet') and specifies circumstances where additional fees may be charged. We will give Investors 30 days' notice of any proposed increase in fees. If you are investing through an IDPS, your IDPS operator will be given 30 days' notice of any increase in fees.

## 6.9 Fees paid to a financial adviser

Additional fees may be paid to a financial adviser if a financial adviser is consulted.

Details of those fees should be set out in the statement of advice given to you by your adviser.

## 6.10 Indirect costs

Management fees and costs are required to include all indirect costs. It is not anticipated that there will be any indirect costs for this Fund.

## 6.11 Transaction costs

Transaction costs incurred by the Fund will be brokerage on all purchases and sales of securities held by the Fund. Transaction costs are disclosed based on amounts paid in the previous financial year and in any year will differ depending on the type of assets and investment activity of the Fund and will be paid out of the Fund's assets when incurred.

The Fund's gross transaction costs were 0.05% of the net asset value of the Fund and were all recovered by the current buy/sell spread of +/- 0.15% (see Section 2 of the PDS). Accordingly, the transaction costs shown in Table 1 are zero because they are shown net of the amount recovered by the buy/sell spread.

Any transaction costs not covered by the buy/sell spread will be borne by the Fund and would be an additional cost to Investors. See Section 3.7 of the 'Additional Information Booklet' for more information.

## 6.12 Goods and Services Tax

Unless otherwise stated, all fees and costs in this section of the PDS are quoted inclusive of any GST and net of any input tax credits or reduced input tax credits that are expected to be available to the

Fund. Further information about the GST treatment of fees and costs is contained in the 'Additional Information Booklet' in Section 3.

## 7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

**You should read the important information about tax before making a decision to invest in the Fund. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/phonon](http://www.oneinvestment.com.au/phonon); in particular, Section 4 'Tax'. The material relating to tax may change between the time when you read this PDS and the day when you acquire the product.**

**Investing in a managed investment scheme, such as the Fund, is likely to have tax consequences for Investors. You are strongly advised to seek professional taxation advice before you invest or deal with your investment.**

The Fund does not pay tax on behalf of Investors, and Investors are assessed for tax on any income and capital gains generated by the Fund. We will send you the information you need each year to help you to complete your tax return. We will distribute income and capital gains, if any, within three months after 30 June each year. Distributions could comprise income (e.g. dividends and interest), net taxable capital gains (from the sale of the Fund's investments) and tax credits.

## 8. HOW TO APPLY

- a) Read, in their entirety, this PDS and the 'Additional Information Booklet', available at [www.oneinvestment.com.au/phonon](http://www.oneinvestment.com.au/phonon) or by calling (02) 8277 0000.
- b) Consider whether this investment is suitable to your financial situation and needs and consider all the risk factors set out in Section 4 of the PDS for more information.
- c) The minimum investment is \$5,000, and then in multiples of \$1,000, or such other amount agreed by us.
- d) Complete the Application Form which is available from [www.oneinvestment.com.au/phonon](http://www.oneinvestment.com.au/phonon); or by calling (02) 8277 0000. Please refer to the Application Form for details on how to complete the Application Form, how to pay your application money and where to lodge the Application Form and any relevant documentation. See Section 2.1 of the PDS for more information.

### INVESTING IN THE FUND THROUGH AN IDPS OPERATOR

We have authorised the use of this PDS as disclosure to direct investors and Indirect Investors of an IDPS (commonly known as a master trust or wrap account). If you invest through an IDPS operator, your rights and liabilities will be governed by the terms and conditions of the disclosure document provided by them. Indirect Investors should carefully read these terms and conditions before investing.

If you are gaining exposure to the Fund through an IDPS operator, then you will need to give a direction to the IDPS operator to invest in or withdraw from the IDPS and complete the documents provided by them.

## 8.2 Cooling-off

A 14-day cooling-off period applies to Retail Clients who invest in the Fund and while the Fund is liquid. Your cooling-off period commences on the earlier of –

- a) the date you receive confirmation of your transaction, and
- b) the end of the fifth Business Day after we issue your Units to you.

If you tell us in writing you want to withdraw your investment during your cooling-off period, then we will return your application money to you (without interest) and no fees will apply. However, if your Units have already been issued to you, then they will be redeemed at the Unit price on the day of the redemption which may be different (higher or lower) to the price at which they were issued. Tax consequences may also arise during the holding period (however brief).

## 8.3 Complaints

We take complaints seriously and aim to resolve them as quickly as possible. In the first instance, if you have a complaint, then you should notify us immediately using the following contact details:

Address: Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000  
 Post: Complaints Officer  
 PO Box 1471 Royal Exchange NSW 1225  
 Phone: (02) 8277 0000  
 Email: [complaints@oneasset.com.au](mailto:complaints@oneasset.com.au)

Once we receive a complaint, we will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as possible.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au)  
 Email: [info@afca.org.au](mailto:info@afca.org.au)  
 Phone: 1800 931 678 (free call)  
 Post: Australian Financial Complaints Authority  
 GPO Box 3 Melbourne VIC 3001

## 9. ADDITIONAL INFORMATION

### 9.1 Related party transactions and conflicts of interest

In our position as responsible entity of the Fund we may from time to time face conflicts between our duties to the Fund, our duties to other funds we manage and our own interests. We will manage any conflicts in accordance with our conflicts of interest policy, the Constitution, ASIC policy and the law. We may from time to time enter into other transactions with related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act (see Section 7.5 of the 'Additional Information Booklet').

## 9.2 Glossary

<b>Abnormal Expenses</b>	Expenses which are not generally incurred during the day-to-day operation of the Fund.
<b>AFS licence</b>	Australian financial services licence.
<b>AML/CTF</b>	Anti-money laundering and counter terrorism financing.
<b>Application Form</b>	The application form for Units accompanying this PDS, which is available at <a href="http://www.oneinvestment.com.au/photon">www.oneinvestment.com.au/photon</a> , or by calling (02) 8277 0000.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	Australian Securities Exchange.
<b>Benchmark</b>	The MSCI AC World Net Index (in Australian dollars).
<b>Business Day</b>	A day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays.
<b>Constitution</b>	The constitution of the Fund dated 30 May 2019, as amended from time to time.
<b>Corporations Act</b>	Corporations Act 2001 (Cth) as amended from time to time together with the regulations of the Corporations Act.
<b>CPI</b>	The consumer price index as defined in the Constitution.
<b>Fund</b>	Holon Photon Fund ARSN 633 803 497.
<b>High Water Mark</b>	See Section 3 of the Additional Information Booklet.
<b>IDPS</b>	Investor directed portfolio service.
<b>Indirect Investor</b>	An applicant that applies for Units through an administration service, such as an IDPS, a master trust, wrap account or nominee and custody service.
<b>Investment Management Agreement</b>	The investment management agreement between the Responsible Entity and the Investment Manager.
<b>Investment Manager</b>	Holon Global Asset Management Pty Ltd ACN 629 590 585, corporate authorised representative number 1276082 of Atlas Funds Management Pty Ltd ACN 612 499 528 AFS licence number 491395.
<b>Investor</b>	A person (including a company or corporation) who holds one or more Units.
<b>Ordinary Expenses</b>	The Responsible Entity fees, custody fees, administration fees (including the cost of preparing annual tax statements, registry fees, fees for audit of the Fund, any asset consultant's fees and any costs and expenses properly incurred in connection with the Fund or incurred by the Responsible Entity and the Investment Manager performing their duties and obligations in the day-to-day operation of the Fund but excluding Abnormal Expenses and any performance fee payable to the Investment Manager.
<b>PDS</b>	This product disclosure statement.
<b>Registrar</b>	One Registry Services Pty Limited ACN 141 757 360.
<b>Retail Client</b>	An Investor who is a retail client for the purposes of section 761G of the Corporations Act.
<b>Unit</b>	A unit of the Fund.
<b>we, us and our or Responsible Entity</b>	One Managed Investment Funds Limited ACN 117 400 987, AFS licence number 297042.



## Additional Information Booklet

# Holon Photon Fund

## IMPORTANT INFORMATION

This document provides information incorporated by reference in the Holon Photon Fund ARSN 633 803 497 Product Disclosure Statement (**PDS**) dated 11 October 2021, and forms part of the PDS. A copy of the PDS and this document can be obtained at no cost by calling One Managed Investment Funds Limited on (02) 8277 0000 or by downloading it from [www.oneinvestment.com.au/photon](http://www.oneinvestment.com.au/photon). You should read both the PDS and all incorporated information before making a decision about whether to invest in the Fund.

The information provided in the PDS and this Additional Information Booklet is general in nature and does not take into account your personal financial situation or needs. You should seek independent financial advice tailored to your own needs before making a decision about whether to invest in the Fund.

All dollar amounts are in Australian dollars unless otherwise indicated. The PDS does not constitute an offer or invitation in any jurisdiction other than in Australia. Applications from outside Australia will not be accepted through the PDS. For the avoidance of doubt, Units are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws.

### HOLON PHOTON FUND ARSN 633 803 497

#### ISSUED

11 October 2021

APIR Code OMF8040AU

#### ISSUED BY RESPONSIBLE ENTITY

One Managed Investment Funds Limited ACN 117 400 987

AFS licence number 297042

#### INVESTMENT MANAGER

Holon Global Asset Management Pty Ltd ACN 629 590 585 is a corporate authorised representative (number 1276082) of Atlas Funds Management Pty Ltd ACN 612 499 528, AFS licence number 491395.

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## 1. FEATURES AND BENEFITS

### 1.1 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.

### 1.2 Investment strategy

The Investment Manager'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.

The Investment Manager 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 the Investment Manager'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 the Investment Manager 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.

The Investment Manager 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.

### 1.3 Fund profile

#### Derivatives and hedging

The Fund will not invest in derivatives.

#### Gearing

The Fund will not borrow to invest.

#### Ethical Policy

The Fund does take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments. Decisions about whether to buy, hold or sell investments are based primarily on economic factors, with labour standards and environmental, social and ethical considerations taken into account where they may be seen to have a material impact on the value of an investment.

## 2. 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

There is a risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology, or

infrastructure changes, or through external events such as third party failures or crisis events. The Responsible Entity has procedures in place to manage these risks, and as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

#### 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 the Registrar of your withdrawal request. However, if withdrawal requests that are received in any one Business Day exceed 5% of the net asset value 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 net asset value 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

Governments or regulators may pass laws, create policy, or implement regulation that affects the Fund, its underlying investments or the Investment Manager's ability to execute its investment strategies. Such initiatives may impact either a specific transaction type or market and may be either country specific or global. Such changes may result in the Fund failing to achieve its investment objectives. Similarly, laws affecting registered managed investment schemes (including taxation and corporate and regulatory laws) may change in the future, affecting Investors' rights and investment returns.

#### 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.

### Change in Fund operation

We may change some aspects of the Fund over time, such as –

1. the fees and expenses we charge, or
2. the rules that govern the Fund (e.g. notice periods or withdrawal processes).

While we will give Investors notice of any changes, such changes (for example, an increase in fees charged by us) may adversely affect the performance of the Fund.

### General

The risks noted in the PDS and this Additional Information Booklet do not take into account your personal circumstances. Before deciding to invest or reinvest in the Fund, you should do the following:

1. Obtain professional advice to determine if the Fund suits your investment objectives, financial situation and particular needs.
2. Read the PDS and this Additional Information Booklet in full.
3. Consider the suggested minimum suggested investment timeframe for the Fund, as set out in Section 5.3 of the PDS.
4. Regularly review your investments in light of your investment objectives, financial situation and particular needs.

## 3. ADDITIONAL EXPLANATION OF FEES AND COSTS

### 3.1 Management fees and costs

Management fees and costs represent the total investment and administration related costs of operating a Fund. It includes the management fees, custody fees and may also include the normal expenses in relation to a Fund (such as fund accounting, unit registry, audit costs, postage and preparation of tax returns etc) which the Responsible Entity is required to cover. Management fees and costs also include indirect costs, however it is not anticipated that there will be any indirect costs for this Fund.

The management fee of 0.85% is charged by the Investment Manager to provide investment management services to the Fund. The fee will accrue as frequently as Unit pricing occurs and is payable monthly in arrears out of the assets of the Fund. For example, if the gross asset value of the Fund is constant at \$10 million for a year, then the Investment Manager will be entitled to a fee of \$85,000 for that year.

### 3.2 Performance Fee

The Investment Manager may be entitled to receive a performance fee. The performance fee (if any) is calculated and payable out of the assets of the Fund during each period of 6 months (or shorter period in the Fund's first and last year) ending on 30 June and 31 December in each year (**Performance Period**) during the continuance of the Investment Management Agreement.

The performance fee amount will be equal to 15% of the amount

by which the percentage change in the net asset value per Unit in the Fund (including any distributions paid during the Performance Period) exceeds the percentage change in the Benchmark over the Performance Period multiplied by the net asset value per Unit.

The performance fee will only be payable to the Investment Manager if movements in the net asset value per Unit (including any distributions paid during the Performance Period) outperform the Benchmark during the Performance Period and is subject to the High Water Mark.

### High Water Mark

The Investment Manager will only be entitled to a performance fee where the Unit price at the end of the Performance Period exceeds the applicable High Water Mark. The High Water Mark is the Unit price at the end of the most recent Performance Period for which the Investment Manager was entitled to a performance fee, less any intervening income and capital distribution.

### Benchmark

The benchmark for the purposes of calculating the performance fee is the MSCI AC World Net Index in Australian dollars. The percentage change in the Benchmark over the Performance Period is taken by dividing the Benchmark as at the last Business Day of the Performance Period by the Benchmark as at the last Business Day of the prior Performance Period, then subtracting 1.

### 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; and
- 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)	<b>4.15%</b>
Performance Fee to be applied to the net asset value	0.6225%
<b>Performance Fee</b>	<b>\$622.50</b>

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	Average
Performance fees (%)	2.1%	1%	1.5%
Performance (\$)	\$23,821	164,981	\$94,401

### 3.3 Responsible Entity's removal fee

The Responsible Entity is entitled to be paid a removal fee if it is replaced in certain circumstances. The Responsible Entity's removal fee equates to the amount of the balance of the Responsible Entity fee and the balance of the custody fee it would have received if it had remained the responsible entity of the Fund for four years from 31st July 2019 if:

- it is removed as responsible entity of the Fund before 31st July 2023, other than for gross negligence or for a material breach of fiduciary duty to investors which causes them substantial loss; or
- it retires as responsible entity of the Fund before 31st July 2023 at the request of the Investment Manager in accordance with the Investment Management Agreement.

This removal fee, if payable, is payable from the assets of the Fund.

Both of these fees are subject to minimum annual fees as disclosed in Section 6 of the PDS and in Section 3.4 of this Additional Information Booklet.

The amount of the removal fee is determined based on the gross value of the assets of the Fund at the time the removal fee becomes payable. If the removal fee becomes payable, then it will be an expense of the Fund and must be paid out of the assets of the Fund.

An example of the Responsible Entity's removal fee is as follows.

In this example it is assumed that –

- the removal fee becomes payable 36 months after 31st July 2019
- the minimum Responsible Entity fee has increased by 3% (being greater than the CPI increase of 2.5%)
- the minimum custody fee has increased by 3.0% (being greater than the CPI increase of 2.5%)
- the RITC rates and availability has not changed since the date of this Additional Information Booklet, and
- at the time the removal fee becomes payable, the gross value of the assets of the Fund is \$50,000,000.

Here, the Responsible Entity would be entitled to a removal fee of \$87,235.47. The removal fee would be calculated as follows: For the RE ( $(\$57,755.40 * 1.045 = \$60,354.39$ ; for Custody ( $\$26,225.45 * 1.025 = \$26,881.08$

The example above is provided for illustrative purposes only and does not represent any actual or prospective removal fee amount. You should not rely on this example in determining whether to invest in the Fund.

### 3.4 Maximum fees

Under the Constitution we have the right to charge minimum fees. These are described in Section 6.3 of the PDS.

Under the Constitution, we also have the right to charge the following maximum fees (plus GST and less any RITCs expected to be available):

- A Responsible Entity fee of up to 2% per annum of the gross asset value of the Fund.
- A custody fee of up to 1% per annum of the gross asset value of the Fund.

We will give you at least 30 days' written notice of any change to the fees payable.

### 3.5 Goods and services tax

Unless otherwise stated, all fees and costs in this section and in Section 6 of the PDS are quoted inclusive of any GST and net of any RITCs that are expected to be available to the Fund. Where RITCs are available, the prescribed rate is currently 55% or 75%, depending on the nature of the fee or cost incurred. In the event that legislative amendments to the current GST regime have the effect of reducing the ability of the Fund to claim input tax credits on some of these management fees and costs, management fees may increase. Again, we will give you at least 30 days' written notice of any change to the fees payable.



### 3.6 Buy/sell spread

The buy/sell spread reflects our estimate of the transaction costs expected to be incurred in buying and selling underlying financial products as a result of investments in, and withdrawals from, the Fund. The purpose of the buy/sell spread is to ensure those Investors transacting in Units at a particular time bear the costs of buying and selling the Fund's assets as a consequence of their transaction. The buy/sell spread is an additional cost to Investors but it is not a fee paid to any party, but is instead retained as an asset of the Fund. The buy/sell spread will vary depending on the liquidity within the fixed income market at the time of application or redemption. Under normal circumstances, we expect the buy/sell spread will be +/- 0.15% on Units. No buy spread is applied to reinvested distributions.

### 3.7 Transaction costs

Transaction costs are costs incurred by the Fund for dealing with the Fund's assets. These costs include brokerage and buy/sell spreads of investments and include the transaction costs of interposed vehicles.

As stated in Section 6 of the PDS the Fund's gross transaction costs were 0.05% of the net asset value of the Fund and were all recovered by the current buy/sell spread of +/- 0.15% (see Section 2 of the PDS). Accordingly, the transaction costs shown in Table 1 of the PDS are zero because they are shown net of the amount recovered by the buy/sell spread. The Investment Manager may, however, review the Fund's portfolio of investments and recommend it be rebalanced to secure the best return for Investors. While the Investment Manager will endeavour to align the purchase and sale of portfolio investments with application and withdrawal requests received from Investors it may be that a proportion of the transaction costs incurred by the Fund in these circumstances will not be covered by the buy/sell spread. If the Fund incurs transaction costs in excess of the buy/sell spread, then these additional costs will be borne by the Fund and would be an additional cost to Investors. Transaction costs are disclosed based on amounts paid in the previous financial year and in any year will differ depending on the investment activity of the Fund.

### 3.8 Waiver or deferral of fees

We may, in our discretion, accept lower fees and expenses than we are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid.

## 4. TAX

### 4.1 Tax summary

The following provides a summary of the general tax implications for an investment by an Australian resident individual Investor who holds their Units on capital account. Each Investor's taxation position will depend on their individual circumstances and accordingly this summary is necessarily general in nature.

This summary is based on the taxation laws as at the date of the PDS. Investing in a registered managed investment scheme is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for investors concerned.

Investors must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund including any change in the taxation implications arising during the term of their investment. It is recommended that Investors

obtain their own professional and independent taxation advice before investing in the Fund.

### 4.2 Income tax provisions

#### Provisions that apply

The Responsible Entity is intending to make an irrevocable election to apply the new Attribution Managed Investment Trust (AMIT) provisions. However, there is no guarantee that the Fund will qualify to apply the new provisions in any particular year of income. To the extent that the Fund does not qualify to apply the AMIT provisions for a future income year, the Responsible Entity may issue an updated tax section that will apply. Accordingly, the section below only outlines the income tax treatment where the AMIT provisions apply.

### 4.3 Income tax (AMIT provisions)

#### Income tax treatment of the Fund

Where the AMIT provisions apply to the Fund, the Fund will effectively be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed to Investors. The Responsible Entity should not be liable to pay Australian income tax on the taxable income derived by the Fund. This is on the condition that the Fund will not be taxed as a company under the public trading trust provisions (discussed below).

#### Income Tax treatment of Investors

The AMIT provisions require the taxable income of the Fund to be attributed to Investors on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Responsible Entity will seek to allocate taxable income having regard to the Units held by Investors, entitlements to income and capital, as well as cash distributions made to such Investors during the relevant period. Under the AMIT provisions, an Investor may be taxable on their share of the Fund's taxable income prior to receiving distributions from the Fund.

#### Tax deferred distributions

Under the AMIT provisions, an Investor's cost base in their Units held is increased where taxable income is allocated to them (inclusive of any tax-free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are made to the Investor in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset and foreign income tax offset).

The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be provided annually to Investors after year-end.

#### Public trading trust provisions

It is noted that a Unit Trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities ("the public trading trust provisions").

Eligible investment business activities include passive activities, such as investing in land for the primary purpose of rent and investing or trading in financial securities (e.g. shares in a company) and arrangements.

The Fund will be regarded as a public unit trust if it either: (a) has 50 or more unit holders (directly or indirectly through other



trusts); (b) makes an offer or invitation of its units to the public; or (c) has its units listed for quotation on a stock exchange.

While the Fund may satisfy the definition of being a public unit trust, the Responsible Entity intends to limit the activities of the Fund to eligible investment business activities so that the public trading trust provisions do not apply to the Fund. Furthermore, the Responsible Entity will seek to manage its investment activities in order that it does not control entities that carry on trading activities.

While the Responsible Entity does not believe that the public trading trust provisions should apply to the Fund, there is no guarantee that the ATO may not take an alternative view. To the extent that the public trading trust provisions apply, the Fund will be required to pay tax at the corporate taxation rate (currently 27.5% for certain small business entities and 30% for all other entities) on taxable income and would seek to pay a franked dividend to the Investors. The exempt component of a discount capital gains or capital allowance deduction may be treated as an unfranked dividend.

#### 4.4 Additional income tax issues

##### Foreign income

A Foreign Income Tax Offset (FITO) may arise where the Fund derives foreign sourced income and pays foreign tax on such income. The Fund may allocate FITOs to Investors based on the distribution of income to such Investors.

Investors may be able to claim a tax offset against their Australian income tax liability for FITOs allocated to them by the Fund. FITOs that are not utilised cannot be carried forward to a future income year.

##### Tax losses

Where the Fund incurs a tax loss, these do not flow-through the Fund to Investors. However, provided that the requirements of the trust loss provisions are satisfied, the Fund may be able to carry forward those tax losses to offset them against assessable income derived in a future income year.

##### Dividends

Investors in the Fund may receive, as part of their distribution, franking credits attached to franked distributions received by the Fund. Franking credits received will not represent part of your cash distribution, but must be included as assessable income in your tax return.

You may be eligible for a tax offset for franking credits received, which can reduce your tax liability. The extent to which you will receive franking credits will be subject to relevant franking credit integrity provisions, such as the 45-day holding rule.

##### Distribution reinvestment

Investors may choose to reinvest their distributions as additional units in the Fund. Where the investor makes such a choice, the Investor may still be assessed on the amount of the distribution applied to the reinvestment.

#### 4.5 Disposal of Units

To the extent that an Investor disposes of their Units (e.g. by way of a transfer or withdrawal) a gain or loss may arise. An Investor that holds their Units on capital account will derive a capital gain or incur a capital loss.

An Investor may make a capital loss in respect of the disposal of their Units to the extent that the capital proceeds are less than

the tax cost base of the Units. Alternatively, an Investor may make a capital gain to the extent that the capital proceeds exceed the tax cost base of the Units. In ascertaining the tax cost base, tax adjustments from tax-deferred distributions will need to be taken into account.

An Investor may be eligible for the discount capital gains tax concession if the Units are held for 12 months or more and the Investor is an individual, trustee or complying superannuation fund.

#### 4.6 Annual Reporting

The Fund will be required to provide distribution information (including tax components) to the ATO on annual basis by lodging the Annual Investment Income Report (AIIR).

The Fund will be required to provide an annual tax distribution statements in the form of an AMMA statement that complies with the ATO guidelines. The AMMA will reconcile the cash distribution with the taxable distribution for the income year. The AMMA will also provide details on the net tax cost base adjustment for the income year.

#### 4.7 Tax file number (TFN) and Australian business number (ABN)

As the Fund is an investment body for income tax purposes, the Fund will be required to obtain a Tax File Number (TFN) or Australian Business Number (ABN) in certain cases from its Investors.

It is not compulsory for an Investor to quote a TFN, claim a valid exemption for providing a TFN, or (in certain circumstances) provide an ABN. However, failure to obtain an appropriate TFN or ABN from Investors will result in the Fund being required to withhold at the top marginal rate plus the Medicare Levy with respect to distributions to the Investor (which may be creditable in their tax return).

#### 4.8 Goods and services tax (GST)

The acquisition and disposal of units in the Fund by the Fund's Investors is not subject to GST.

However, GST may apply if fees are charged to the Fund by the Responsible Entity or the Investment Manager. In such a case, the Fund may be eligible to claim a RITC of either 75 per cent or 55 per cent of the GST paid on some of the fees charged to the Fund, depending on the type of fee.

#### 4.9 Stamp duty

The issue, redemption, transfer or any other arrangement involving a change in the unitholding of the Fund may result in stamp duty consequences (for example, if the change in unitholding occurs at a time when the unit trust holds dutiable property, such as real property, or certain debts in Queensland). Investors should confirm the duty consequences of their dealings in units with their taxation advisers.

#### 4.10 Foreign account tax compliance act (FATCA)

In compliance with the U.S income tax laws commonly referred to as the Foreign Account Tax Compliance Act (FATCA) and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Fund may be required to provide information to the ATO in relation to: (a) Investors that are US citizens or residents; (b) entities controlled by US persons; and (c) financial institutions that do not comply with FATCA.

The Fund is intending to register for FATCA purposes (where

required) and to conduct its appropriate due diligence. Where the Fund's Investors do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

#### 4.11 Common reporting standard (CRS)

The Common Reporting Standard (CRS) is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Responsible Entity will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

## 5. DISTRIBUTIONS

Unit prices will normally fall after the end of each distribution period. Consequently, if you invest just before the end of a distribution period, some of your capital may be returned to you as income in the form of a distribution.

Any distributions you receive may affect the social security benefits to which you are or may be entitled, and you should consider discussing this with your financial adviser, Centrelink or the Department of Veterans' Affairs before investing.

#### Reinvestment

The Unit price for reinvested distributions is determined by the net asset value of the Fund (adjusted by any distribution payable) and the number of Units on issue in the relevant Unit class as at the first day of the following distribution period. No buy spread is applied to reinvested distributions (see Section 3 of this Additional Information Booklet).

## 6. INVESTING IN THE FUND

### 6.1 Terms and conditions of investing

The offer to invest in the Fund is subject to the terms and conditions described in the PDS, this Additional Information Booklet and as set out in the Constitution (see Section 7 of this Additional Information Booklet). The Responsible Entity reserves the right to change the terms and conditions (see below) and to refuse or reject an application.

### 6.2 Unit price

The Unit price is calculated under the Constitution by reference to the net asset value and transaction costs pertaining to the relevant class of Units, and the number of Units on issue in that Unit class.

The market value and net asset value of the Fund are normally determined daily, using the market prices and unit prices of the assets in which the Fund is invested.

The Responsible Entity may exercise certain discretions in determining the Unit price (see Section 7.3 of this Additional Information Booklet).

## 7. OTHER IMPORTANT INFORMATION

### 7.1 Summary of important documents

The following is a summary of the material documents relevant to the Fund. You should consider whether it is necessary to obtain independent advice on these documents.

#### Constitution

The constitution of the Fund is dated 30 May 2019 and is the primary document governing the relationship between Investors and the Responsible Entity. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

Each Unit gives you an equal and undivided interest in the Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Constitution, as an Investor you have the following rights:

- a) The right to share in any distributions.
- b) The right to attend and vote at meetings of Investors.
- c) The right to participate in the proceeds of winding up the Fund.

The Constitution contains provisions about convening and conducting meetings of Investors.

Under the Constitution, the Responsible Entity may:

- a) Deal with itself, an associate, Investor or any other person.
- b) Be interested in and receive a benefit under any contract or transaction with itself, an associate, Investor or any other person.
- c) Act in the same or similar capacity in relation to any other fund.

A copy of the Constitution is available free of charge by calling us on (02) 8277 0000.

#### Investment Management Agreement

The Investment Management Agreement is between the Investment Manager and the Responsible Entity and governs how the Investment Manager provides investment management services to the Fund.

The Investment Management Agreement contains provisions dealing with matters such as the Investment Manager's obligations to report to the Responsible Entity, and the agreement sets out the fees payable to the Investment Manager for its services.

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Responsible Entity if the Investment Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Responsible Entity to terminate if, for example, the Investment Manager becomes insolvent.

The Investment Management Agreement also includes the obligation on the Investment Manager to pay any Ordinary Expenses from its own funds. Refer to Section 6.6 of the PDS for more details.

The Investment Manager is permitted to terminate the agreement in certain circumstances, such as if the Responsible

Entity ceases to be the responsible entity for the Fund.

A copy of the Investment Management Agreement is available free of charge by calling us on (02) 8277 0000.

## 7.2 Privacy and collection and disclosure of personal information.

The Privacy Act 1998 (Cth) regulates, among other things, the collection, disclosure and access to personal information.

Certain laws require us to collect, store and disclose information about you (including personal information), for example, the design and distribution obligations in the Corporations Act, the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (**AML/CTF Law**), the Foreign Account Tax Compliance Act (**FATCA**) and the Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 (**CRS**). We may be required under the AML/CTF Law to provide information about you (including personal information) to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**), the body responsible for regulating the AML/CTF Law. In respect of investors who are ordinarily resident in a country other than Australia, both FATCA and CRS may require us to collect and disclose to the Australian Taxation Office information about you (including personal information) obtained from you.

If you do not provide the information requested in our application form, we will not be able to process your application (including any application for additional Units) and your application may be delayed or rejected. Where applications are delayed or refused, we are not liable for any loss you suffer (including consequential loss) as a result. Alternatively, if we accept your application to the Fund when you have not provided all of the requested information, we may provide information about you to the relevant regulator.

We will be required to share information about you (including personal information) with service providers to the Responsible Entity in respect of the Fund (including the Investment Manager) to ensure you receive the appropriate information and assistance in respect of your holding in the Fund.

By applying to invest in the Fund, you consent to your information (including your personal information) being collected, used and disclosed by the Responsible Entity for the purposes disclosed above and in accordance with our Privacy Policy.

You are entitled to access, correct and update all personal information we hold about you. You can contact us to find out what personal information we hold about you or if you have any concerns.

## 7.3 Unit pricing policy

The Responsible Entity may exercise certain discretions in determining the price of Units on application and withdrawal in the Fund. The unit pricing policy, which can be obtained by contacting us on (02) 8277 0000, sets out the types of discretions that the Responsible Entity may exercise and in what circumstances, the policies on how the Responsible Entity exercises the discretions and the reasons why it considers the policies are reasonable.

## 7.4 Continuous and ongoing disclosure

The Fund has more than 100 Unit holders and as such it is a disclosing entity for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations. We will follow ASIC's good practice guidance in satisfying our continuous disclosure obligations via website notices. Investors may access

annual and half-year financial reports, ongoing or continuous disclosure notices and other information for the Fund by going to [www.oneinvestment.com.au/photon](http://www.oneinvestment.com.au/photon) or by calling (02) 8277 0000 during business hours.

## 7.5 Related party transactions and conflicts of interest

The Responsible Entity has appointed an associated company, Unity Fund Services Pty Ltd (ACN 146 747 122), for fund accounting and taxation services and has also appointed a related party, One Registry Services Pty Limited (ACN 141 757 360), for registry services in respect of the Fund. The Responsible Entity has appointed these related parties in consultation with, and with agreement from, the Investment Manager.

The Responsible Entity and the Investment Manager have policies on proposed or potential related party transactions to ensure that any actual or potential conflicts of interest are identified and appropriately dealt with. Copies of these policies on related party transactions are available by contacting the Responsible Entity on (02) 8277 0000.

# 8. COMMUNICATION

## Further information

Please call us on (02) 8277 0000 during business hours if you have questions about investing in the Fund or require further information. Further information about the Fund is also available online at [www.oneinvestment.com.au/photon](http://www.oneinvestment.com.au/photon) or by contacting the Responsible Entity on (02) 8277 0000. When reading Fund performance information, please note that past performance is not a reliable indicator of future performance and should not be relied on when making a decision about investing in the Fund.

## Investor communications

We intend to report to you periodically and our reporting will comprise the following:

- a) An investment confirmation upon issuing Units.
- b) A withdrawal confirmation upon withdrawal of Units.
- c) Annual income distribution detailing your investment and distributions (if any) paid to you.
- d) Periodic performance update reports.
- e) An annual tax statement detailing information required for inclusion in your annual income tax return.

We will provide Investors with the following information free of charge, on request:

- a) The Fund's annual financial reports.
- b) A copy of any updated information.
- c) Any replacement PDS or updated incorporated information.

Further information in relation to the Fund's investment strategy, including a quarterly newsletter, can be obtained at [www.holon.investments](http://www.holon.investments).

## 9. CONTACT DETAILS

For information about investing in the Fund, please contact us.

### Responsible Entity

One Managed Investment Funds Limited ACN 117 400 987

Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW  
2000

Telephone: (02) 8277 0000

Website: [www.oneinvestment.com.au](http://www.oneinvestment.com.au)

Email: [operations@oneinvestment.com.au](mailto:operations@oneinvestment.com.au)

### Investment Manager

Holon Global Asset Management Pty Ltd ACN 629 590 585

Office 18, Level 2, Lawson Place, 165/167 Phillip St, Sydney NSW  
2000

Telephone: 0414 259 013

Website: [www.holon.investments](http://www.holon.investments)

Email: [hello@holon.investments](mailto:hello@holon.investments)

### Fund Administrator

Unity Fund Services Pty Ltd ACN 146 747 122

Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW  
2000

Telephone: (02) 8277 0070

Facsimile: (02) 8580 5781

Website: [www.unityfundservices.com.au](http://www.unityfundservices.com.au)

Email: [holon@unityfundservices.com.au](mailto:holon@unityfundservices.com.au)

### Registry

One Registry Services Pty Limited ACN 141 757 360

Level 16, Governor Macquarie Tower, 1 Farrer Place Sydney NSW  
2000

Telephone: (02) 8188 1510

Facsimile: (02) 8580 5790

Website: [www.oneregistryservices.com.au](http://www.oneregistryservices.com.au)

Email: [enquiries@oneregistryservices.com.au](mailto:enquiries@oneregistryservices.com.au)