IMAP Specialist series: Investing in Disruption

Session 1 : Bitcoin, the other cryptos and Blockchain

Heath Behncke, Holon Global Investments
Craig Hobart, Monochrome Asset Management

Moderated by Rob da Silva, SQM Research

IMAP
Institute of Managed Account Professionals

IMAP 2022 Events

Portfolio Management Conference

10th March – Perth

15th March – Sydney

22th March – Melbourne

FPA Congress – Managed Account Central

7th/8th April – Sydney

Independent Thought Conference

12th April – Sydney

Adviser Roadshow

14th June – Melbourne

16th June – Sydney

21st June – Brisbane

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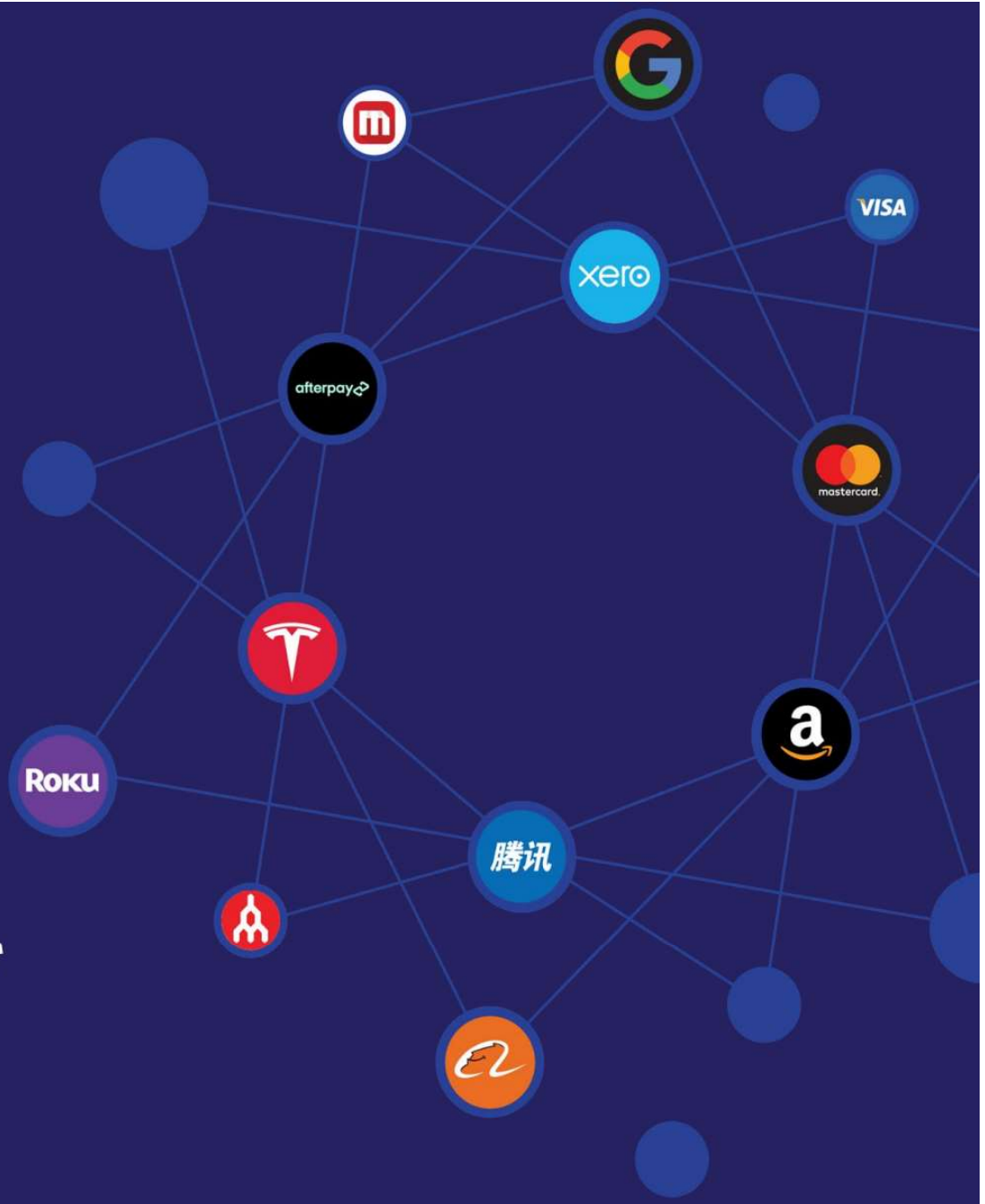
How to ask a Question

Holon
global investments



IMAP Specialist Webinar
Investing in Disruption

December 2021

Evolution of the Web

Web 1.0

read-only
static

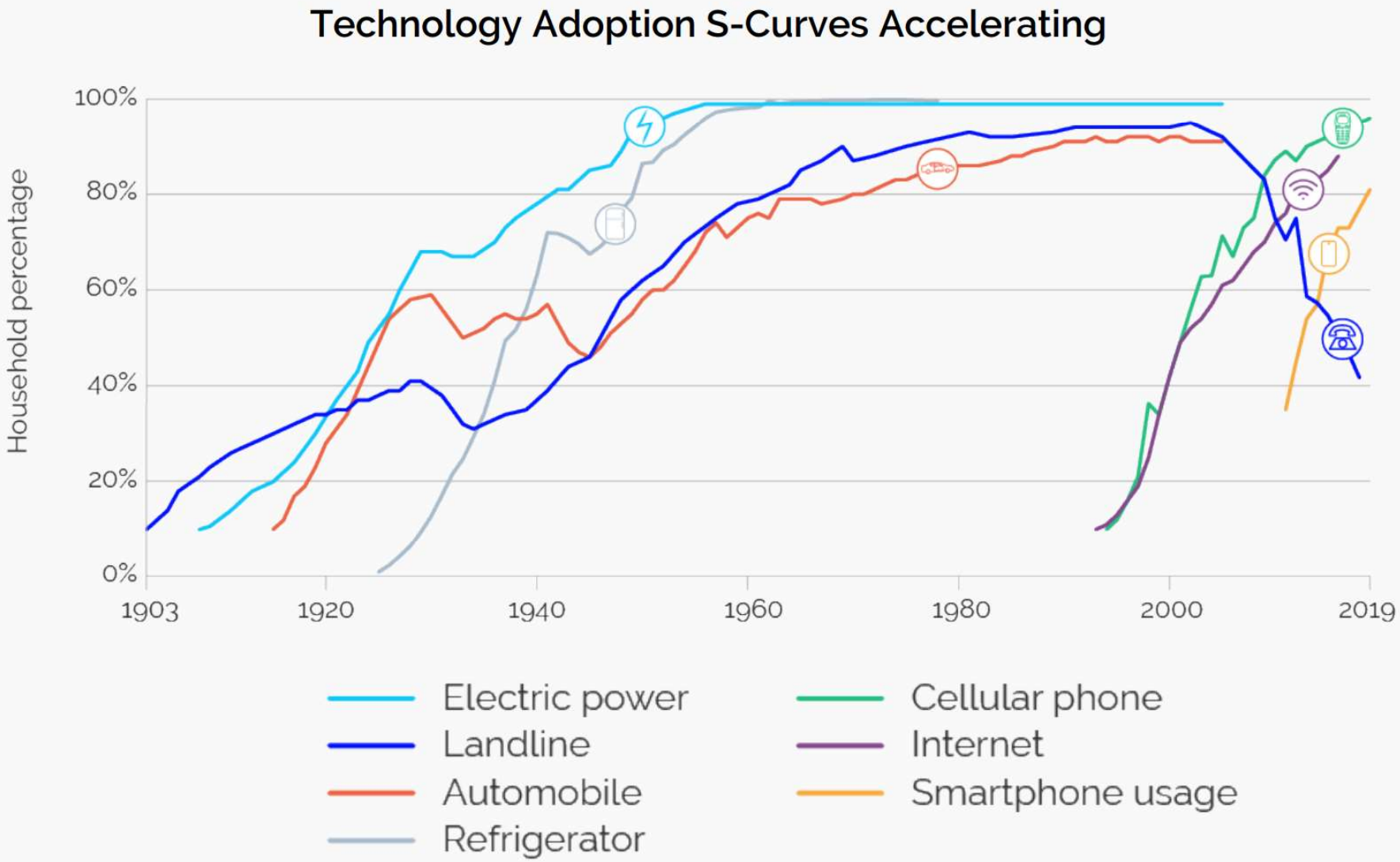
Web 2.0

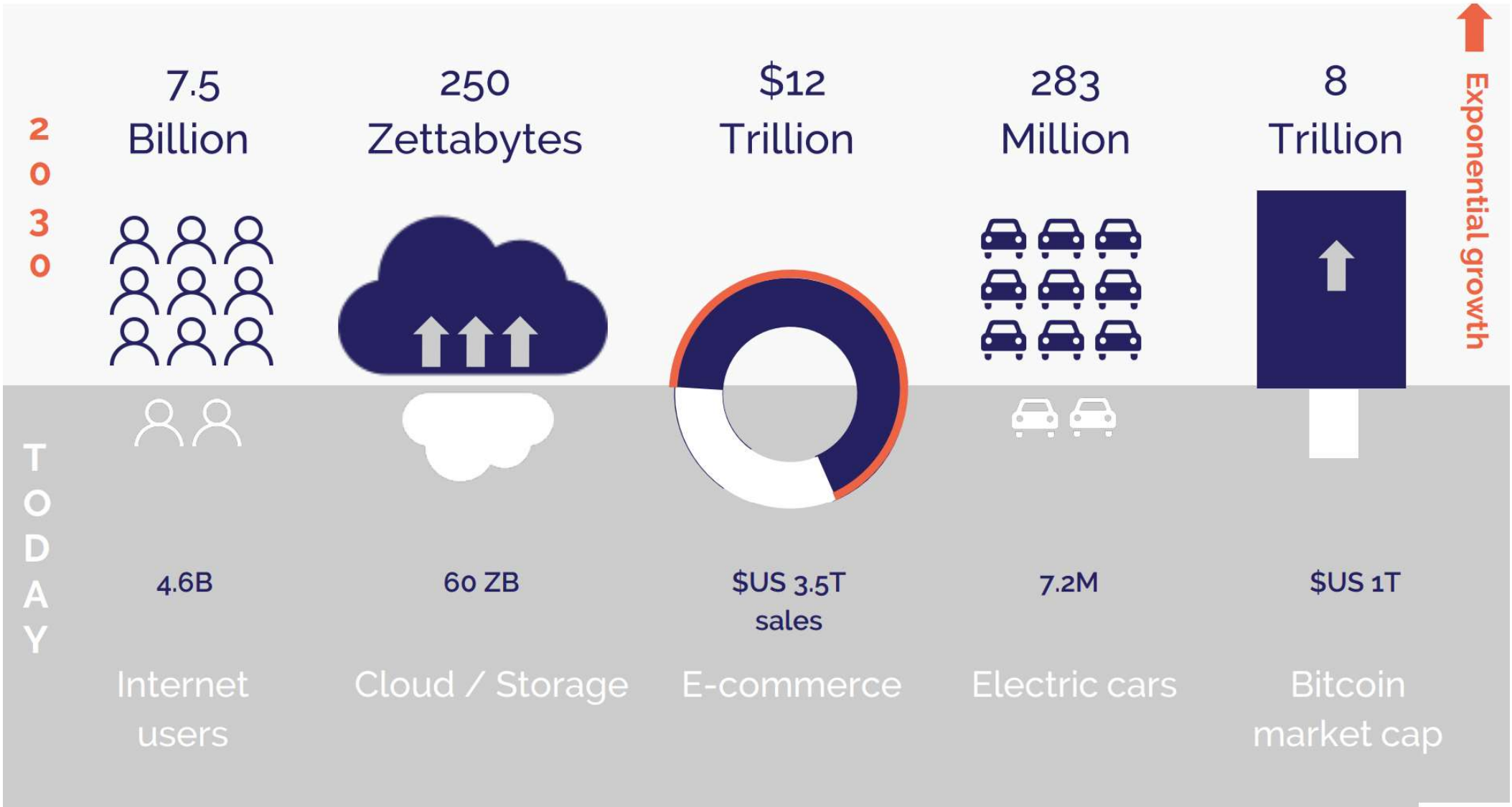
read-write
dynamic

Web 3.0

read-write-trust
verifiable

The Exponential Age & Speed of Change

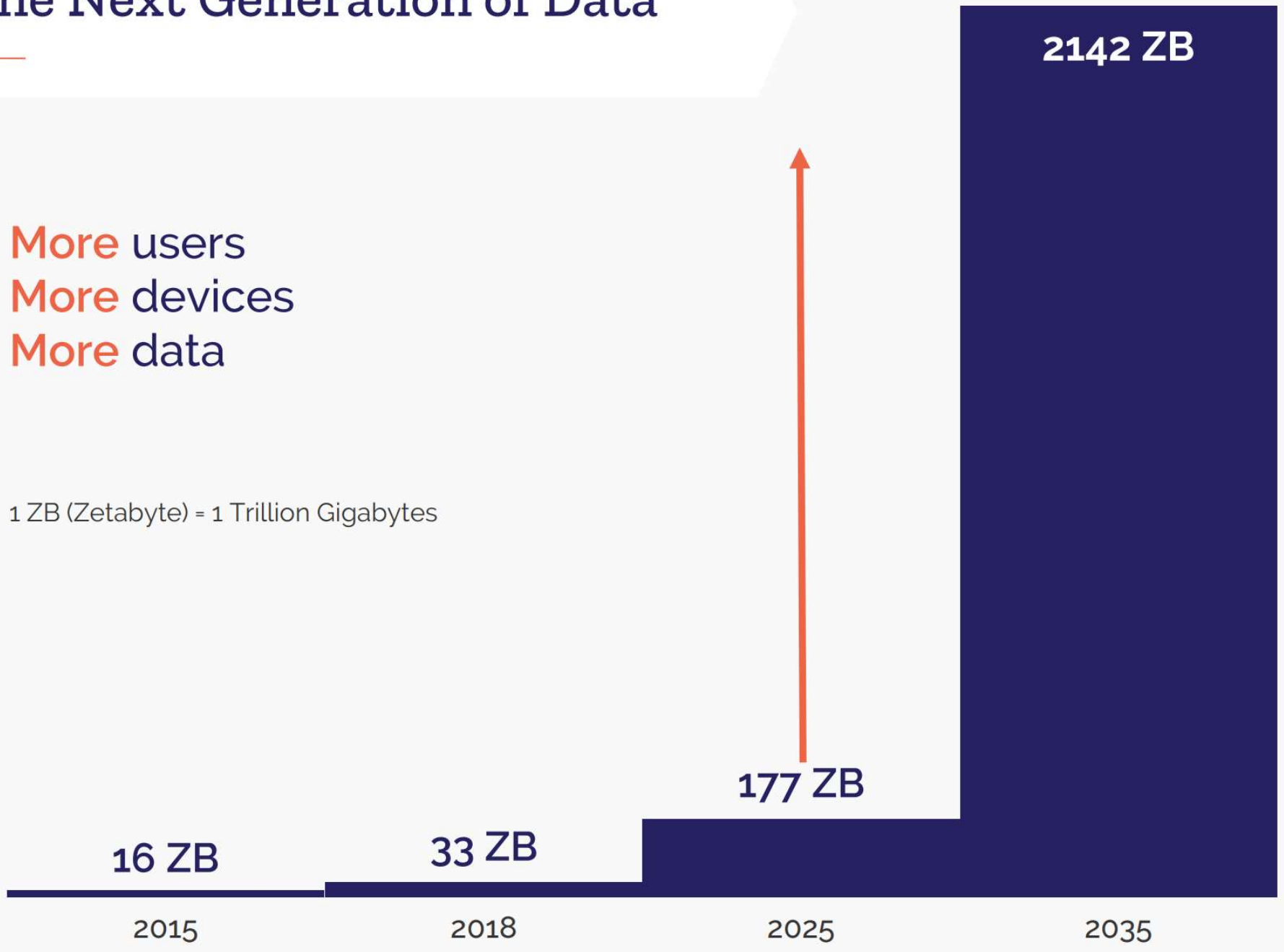



2030
7.5 Billion
250 Zettabytes
$12 Trillion
283 Million
8 Trillion
Exponential growth
TODAY
4.6B
60 ZB
$US 3.5T sales
7.2M
$US 1T
Internet users
Cloud / Storage
E-commerce
Electric cars
Bitcoin market cap

The Next Generation of Data

More users
More devices
More data

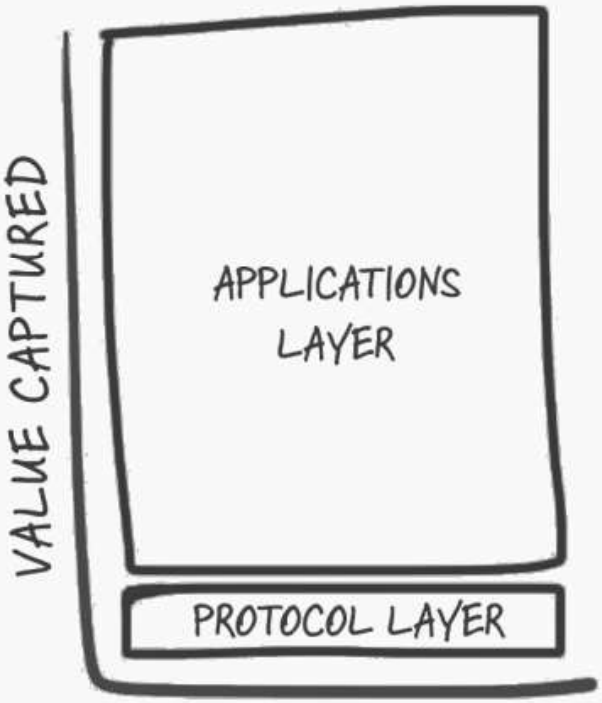
1 ZB (Zetabyte) = 1 Trillion Gigabytes



Protocols vs Applications – New Paradigm!

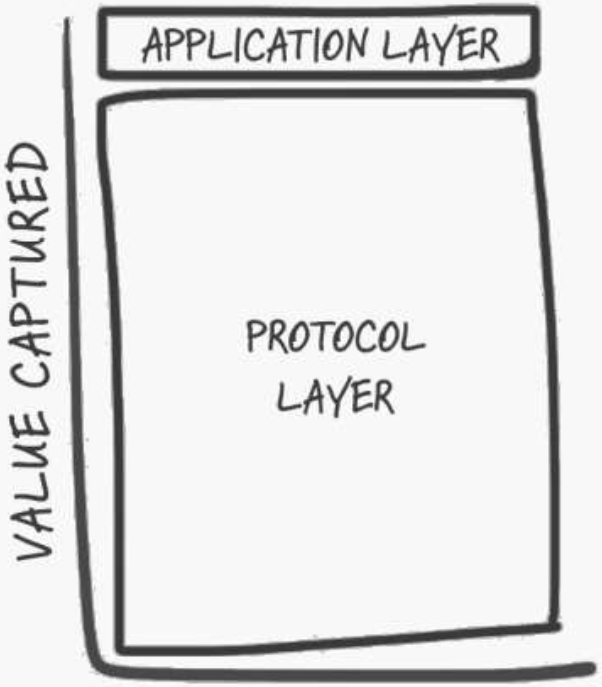
The differences between the internet and blockchain

The Web



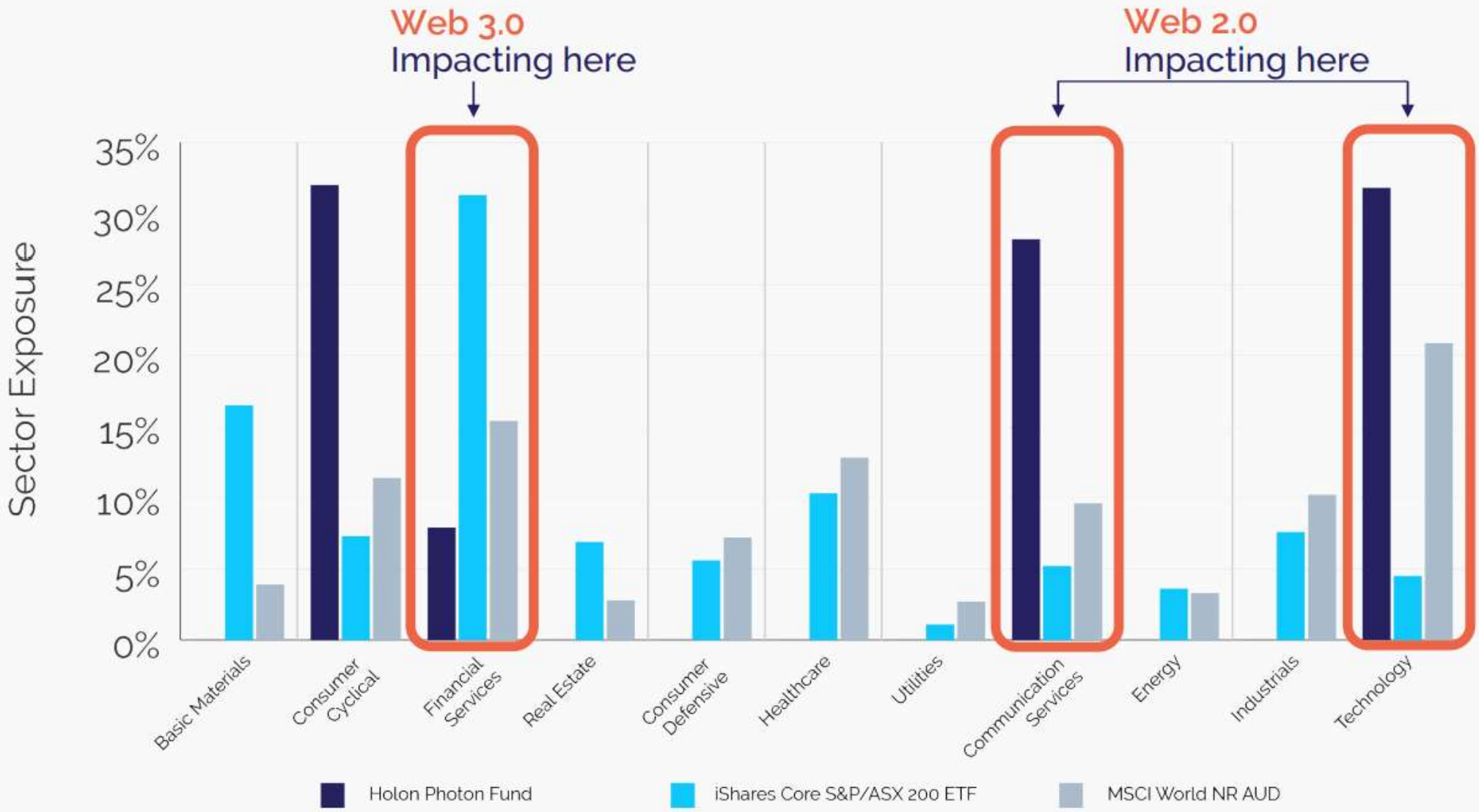
Internet stack, in terms of how value is *distributed*, is composed of "thin" protocols and "fat" applications

Blockchain



While the Blockchain stack is composed of "fat" protocols and "thin" applications

Australia - Underweight Innovation & Technology



Holon®
global investments

About

We are a next generation, international fund management team that looks beyond traditional public markets to understand how innovation and disruption can benefit us in the future.

Further information

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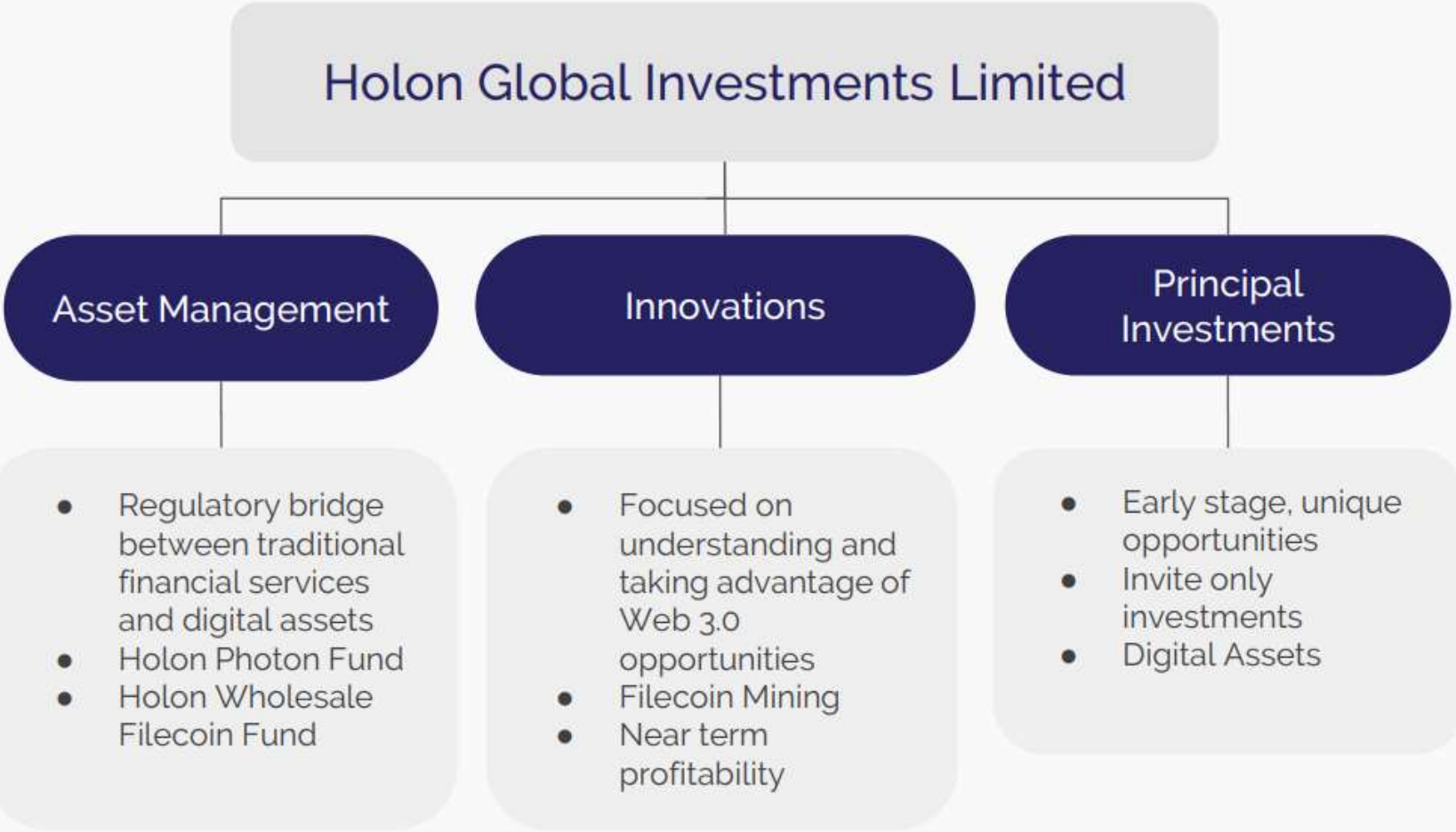
A differentiated Asset Management Business

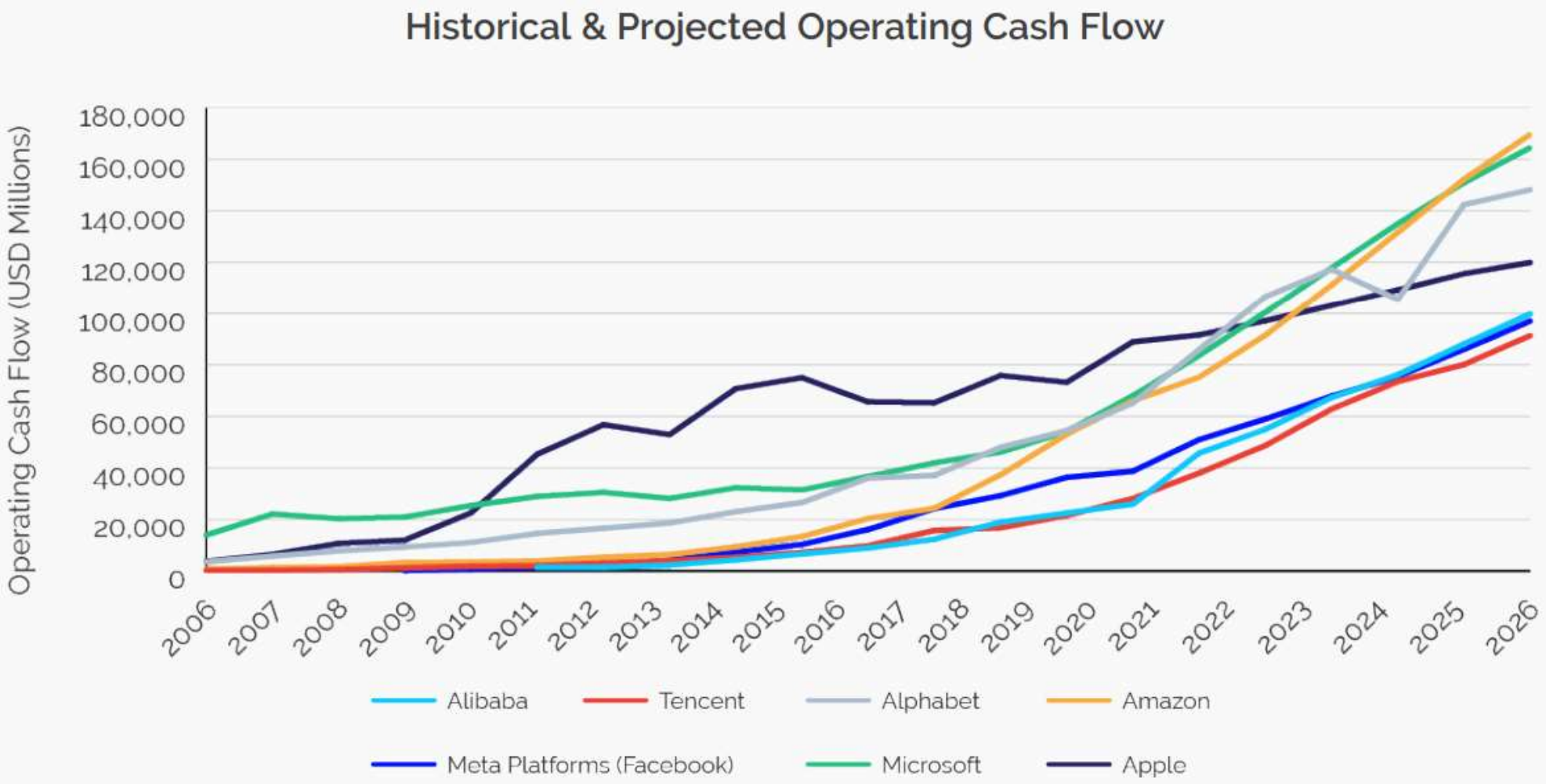


Holon's Web 3.0 Data Storage

Filecoin cloud storage costs ***less than* 1% of AWS S3**

The Holon Photon Fund's largest exposure is to **Web 2.0 cloud - a unique perspective on threats to existing cloud businesses.**

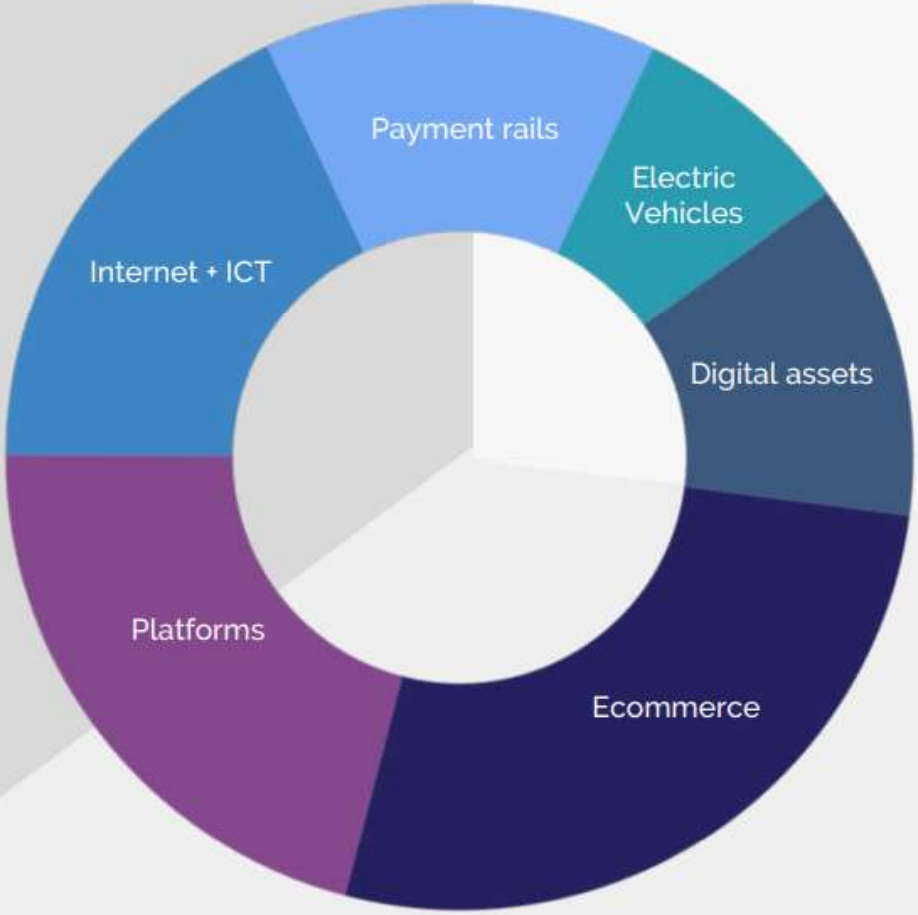
The Incredible Growth of Web2.0 Businesses



The Holon Photon Fund

Photon is benefiting from the centralisation & scaling of data in Web2.0

Today
The Mega Caps
45%



The Future
Digital assets + Web 3.0
10%

Tomorrow
Tomorrow's Mega Caps
45%

PORTFOLIO THEMES

- Ecommerce (**Amazon, Alibaba, Tencent**)
- Platforms (**Google**, Bilibili, Roku, Meituan)
- Internet + ICT (Xiaomi, Megaport, Intuit, Xero)
- Payments (**Visa, Mastercard**)
- Electric vehicles + new energy (Tesla)
- Digital assets (Coinbase, MicroStrategy)

The Outcome – Protecting & Growing Wealth

We aim to add value relative to global equities

30 November 2021	12 months	Since Inception Jul-19 (p.a %)
Future focused portfolio	18.7%	27.5%
MSCI ACWI Index	23.9%	15.2%
Outperformance	(5.2)%	12.3%

★★★★★
Favourable
SQM RESEARCH

*"...significant degree of **defensive** characteristics of the Fund in the face of extreme Australian equity tail risk."*

HUB24 netwealth præmium North oneVue

Investment Grade Bitcoin Exposure

December 2021 | Monochrome Asset Management

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About Monochrome Asset Management

Monochrome came into existence to solve an industry problem of safe custody and education for digital assets.

Monochrome has a team of over **150 years of combined experience** in traditional financial markets, funds management, and digital asset investments.

3. Investment Philosophy

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Monochrome Bitcoin Fund

- Custody biggest risk to investors
- Alpha not yet proven in digital assets
- Many risks in digital assets excluding Bitcoin
- Bitcoin protocol proven and has deep liquidity and scale
- Non-intrinsic makes it detached to nominal valuations
- Education is key to appropriate use

Solution: Wholesale, passive, physical bitcoin fund.

Fund Benefits

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Monochrome Bitcoin Fund

Regulated Bitcoin Exposure

The Fund offers a **passive investment exposure to bitcoin.**

The Fund does not engage in any trading, derivatives, or short-term price speculation, and adopts a passive **'buy and hold' strategy**.

Leading Industry Knowledge

Monochrome has access to the largest digital asset liquidity providers globally.

Our team's execution expertise and **access to global liquidity** means we are able to execute **substantial orders** with **minimal price penalty**.

Licensed Investment Managers

Monochrome's management team has over **150 years of combined experience** in traditional financial markets, funds management, and digital asset investments.

Our team works closely with external business and technical expert advisors to validate and generate new processes.

Insured Qualified Custody

The Fund's digital asset custodian is industry renowned **US-chartered trust company**, BitGo Trust.

Digital assets are securely stored and handled with **institutional-grade** practices such as offline signing and multi-signature key management.

Hypothetical Portfolio Traditional 60/40 Fund + BTC Allocation

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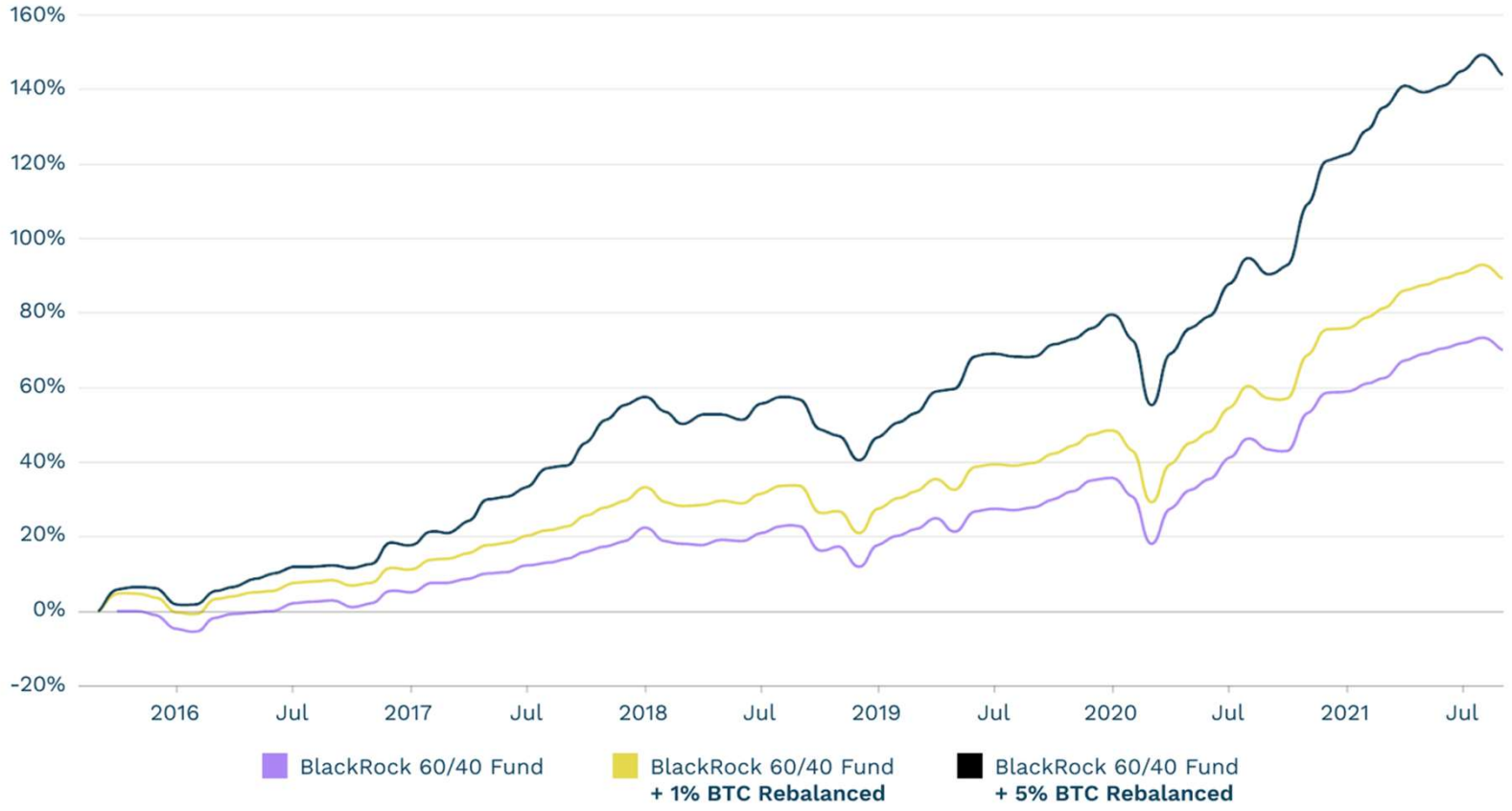
(Chart – Rebalanced



Quant Reports. October 2021. Bitcoin 1% with 60/40 Allocation. Cumulative Monthly Returns.

Source: Quant Reports. October 2021. Bitcoin 1% with 60/40 Allocation. Cumulative Monthly Returns.

Correlation Chart

(Morningstar Direct)

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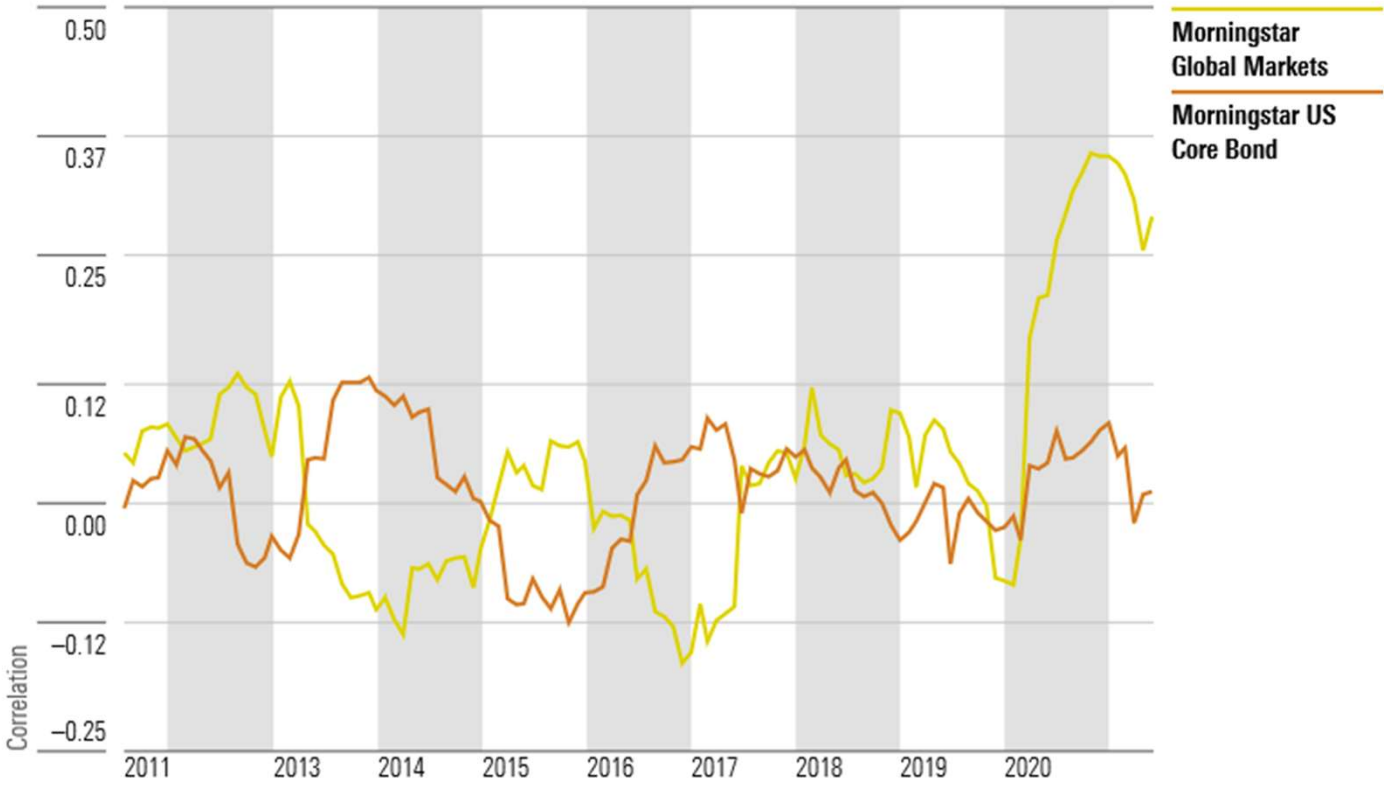
Exhibit 5 Rolling One-Year Correlations to CMBI Bitcoin Index



Source: Millson, A. June 30, 2021. 'How a Little Bitcoin Can Change Your 60/40 Portfolio a Lot'. Morningstar Direct.

Volatility Chart

(Morningstar Direct)

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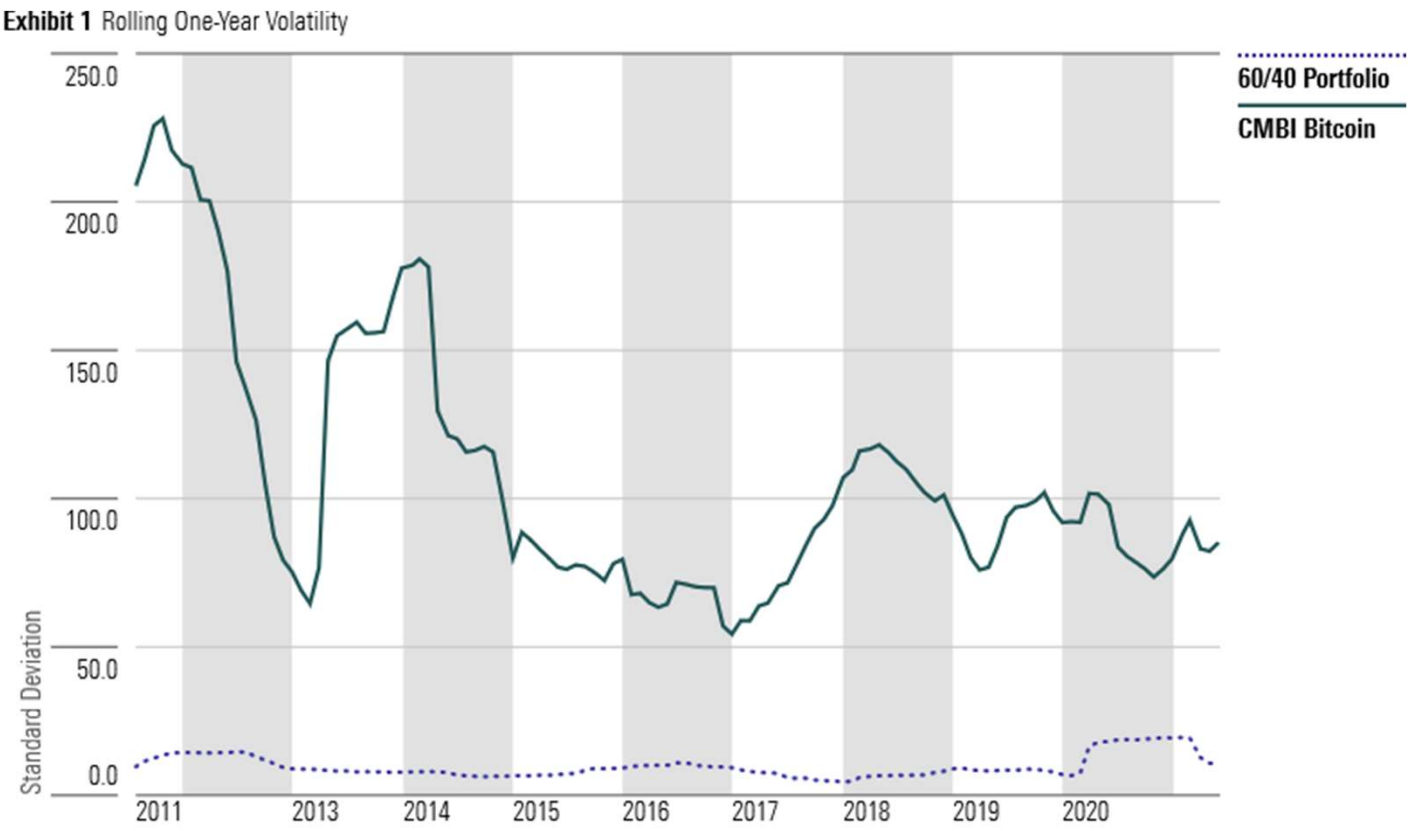

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Session 2 : Use of Artificial Intelligence and machine learning in Portfolio Management

Dr James Yang, Coolabah Capital Investments
Dr David Allen, Plato Investment Management

Moderated by Rob da Silva, SQM Research

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