



HOLDUN
**OPPORTUNITY
FUND**

Holdun At a Glance

Diversify your portfolio with our innovative investment solutions

Holdun is an award winning, experienced and independent, 5th generation family office with over 30 years experience. Our innovative solutions, help families and businesses overcome the shortcomings of traditional assets by providing alternative investment opportunities that build wealth and security for generations.



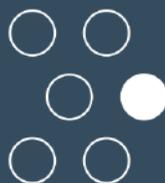
30+

Years of
Experience



3

Global
Locations



6

Unique and
Alternative
Investment Funds

As a family, we recognised some years ago that traditional fixed income and equity strategies alone were unlikely to deliver acceptable returns in a period of sustained low interest rates and muted economic growth.

At Holdun, we ensure that our goals are aligned with yours. We manage our family's money alongside that of our clients and we invest our clients' money as we do our own.

As a result, we created new and innovative Funds that offer a broader range of exposure across the risk and illiquidity spectrum. These new asset classes including private equity, venture capital and real estate, have provided us greater portfolio diversification, reduced portfolio volatility and higher returns.

CORPORATE STRUCTURE

HOLDUN WEALTH MANAGEMENT

HOLDUN FUNDS

Holdun Income Fund

Holdun Opportunity Fund

Holdun Funds Real Estate

Holdun Falcon 5

GINNIE MAE DIRECT

DISCRETIONARY WEALTH MANAGEMENT

PORTFOLIO ANALYSIS

HOLT FINTECH ACCELERATOR

HOLT FUND

Providing capital to the best performing start-ups from around the world

HOLT PLATFORM

Positioning the world's best Early-stage start-ups into our ecosystem

HOLDUN TRUST & CORPORATE SERVICES (CAYMAN)

CAYMAN TRUSTEE SERVICES

CAYMAN REGISTERED OFFICE & CORPORATE SERVICES

HOLDUN CORPORATE SERVICES (BAHAMAS)

BAHAMAS REGISTERED OFFICE & CORPORATE SERVICES

BAHAMAS PRIVATE TRUST COMPANY FORMATION & MANAGEMENT

HOLDUN CONCIERGE SERVICES (BAHAMAS)

IMMIGRATION SERVICES

BAHAMAS GOVERNMENT SERVICES

PROPERTY MANAGEMENT

What is Private Equity?

A private equity investment is a type of Alternative Investment whereby Individuals own a portion of a company that is not publicly owned, quoted or traded on a stock exchange. Private equity investment strategies range from Venture Capital investments to Leveraged Buy-out.

Venture Capital



Small, early stage and emerging businesses that are expected to have high growth potential but have limited access to other forms of capital.

Leveraged Buyout



Larger investments, Taking a controlling stake in a mature business and increasing its value through operational improvements and financial restructuring.

Private Equity

VS

Public Equity

By its nature, private equity possesses distinct characteristics that set it apart from public equity. Private equity can seize opportunities outside the reach of public equity.

The informational arbitrage of Private equity, combined with the longer-term strategic approach of owner-operators unburdened by the extensive regulatory and compliance heavy world of public markets, provides the perfect platform for growth and has ensured the consistent outperformance of Private Equity vs Public Equity.

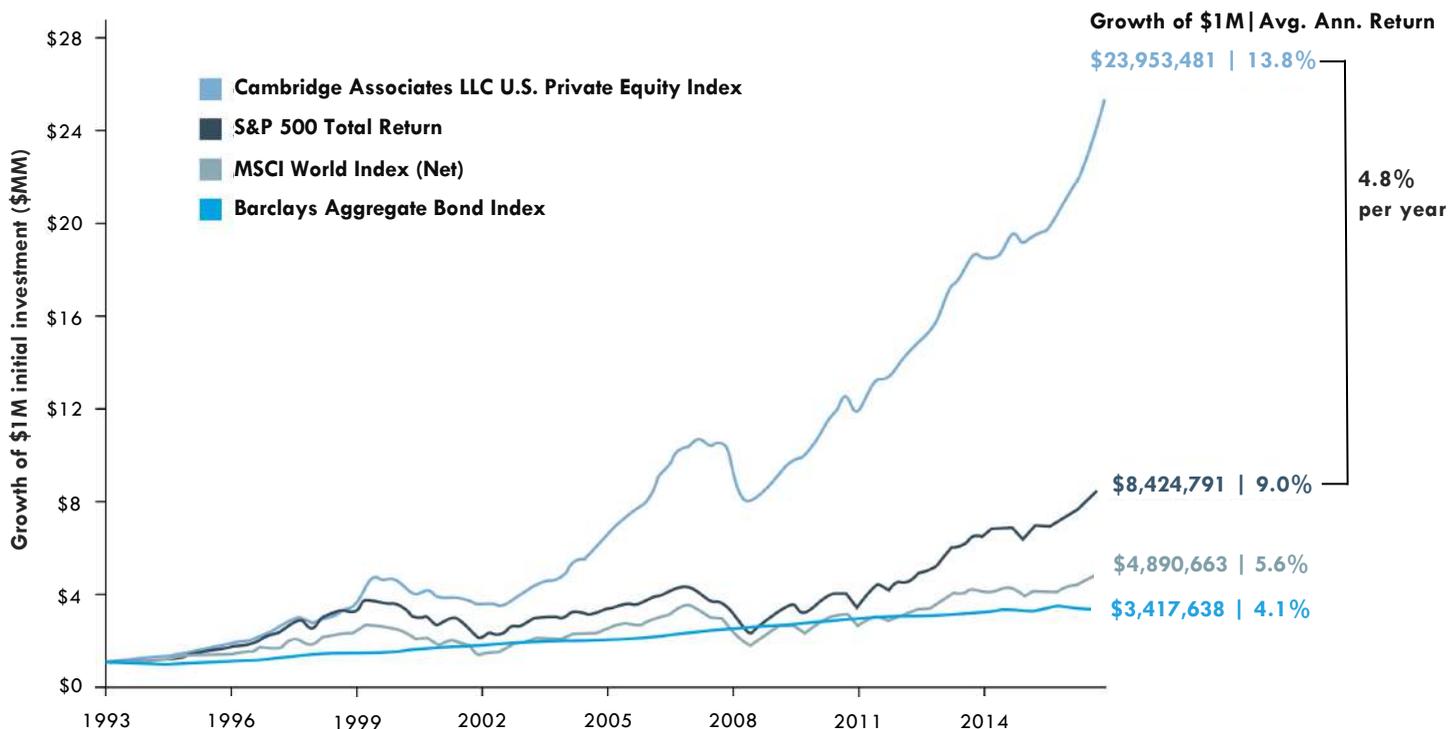
Private Equity

- Uses private information to make decisions
- Investors as operators
- Private concentrated ownership
- Multi-year strategic planning

Public Equity

- Public information
- Passive investors
- Broad public ownership
- Quarterly earnings focus
- Traditional incentive structures

The illiquidity premium in private equity has produced an additional 4%-6% per year over public equity markets.



Advantages



Diversification

The factors that drive returns in public equity markets have little or no impact on private equity, enhancing private equity's diversification potential



Long-term focus

Private ownership enables long-term strategic focus as opposed to the public market focus on quarterly earnings. This "patient" perspective has the potential to generate significant return on private equity investment



Attractive returns

Private equity has exhibited attractive performance on both a risk-adjusted and an absolute basis

Growth of Private Equity

The number of publicly listed U.S. companies has been cut in half from a peak of over 8,000 in 1996.

The availability of private capital and the burden of public regulation has resulted in billion-dollar private companies staying private for longer.



8,000 US
Public Companies
in 1996



50% Less
in 2020

Global household names highlight the potential for billion-dollar companies to exist and thrive in the private equity space. While the private equity market has grown in recent years, there is still room for more to be done in this arena as founders look to retain ownership control and fully explore their company's organic growth potential.





\$4.11^{tn}

Global private equity
assets under management
as of June 2019



17.0%

Median annualized net
return in the three years to
June 2019



86%

Proportion of investors that
intend to commit as much
or more capital to the
asset class in 2020 as they
did in 2019

A growing consensus among market analysts is that public equity returns over the next several years may be constrained by a combination of slowing economic growth and relatively high equity valuations. Bonds, once the traditional counter to equity headwinds are currently at record high valuations as a result of central banks purchasing programs, and these bonds are becoming less attractive with each uptick in interest rates from the zero bound they are currently anchored to. So with growing volatility and muted returns making traditional asset less attractive. Investors are exploring Alternative investments such as Private Equity in order to generate acceptable returns whilst diversify their portfolio.

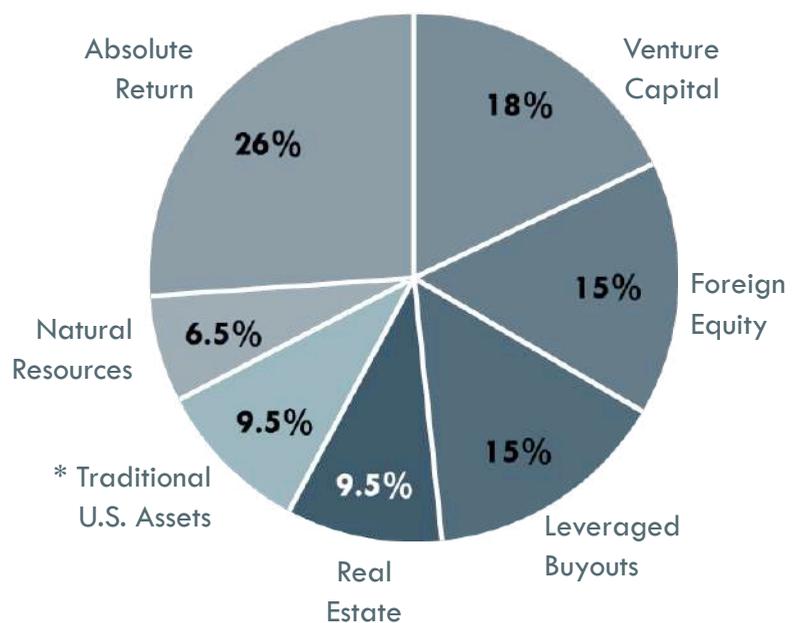
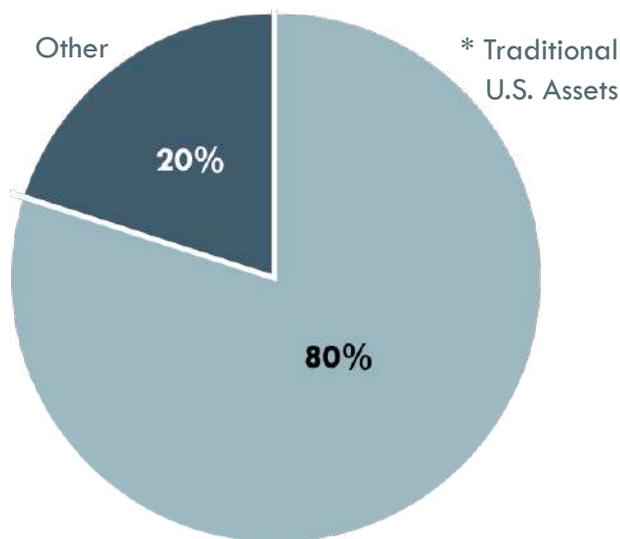
The inflow of cash into the alternative space is nothing new. The sectors that make up alternative investing have been growing for years as the shortcomings of traditional assets made it exceedingly difficult for pensions to close their funding gaps or endowments and foundations to keep up with their 5% spending targets on top of inflation. Ensuring that Institution investors on the hunt for yield continued to flock to private equity funds.

Institutional vs Retail Growth

By its nature, private equity possesses distinct characteristics that set it apart from public equity. Private equity can seize opportunities outside the reach of public equity.

Taking the Yale Endowment as an example (an Endowment that has consistently topped the 10-year investment record rankings). In 1985, over four-fifths of the Endowment was committed to U.S. stocks, bonds, and cash. Today, domestic marketable securities account for approximately one-tenth of the portfolio, while foreign equity, private equity, absolute return strategies, and real assets represent nearly nine-tenths of the Endowment.

1985 ——— Yale Endowment ——— 2019



* Traditional U.S. Assets (Domestic Equity, Bonds & Cash)

The ability to take advantage of private market inefficiencies has seen institutions with longer time horizons leverage their illiquidity premium, generating greater risk adjusted returns in the process.

The substantial allocation to non-traditional asset classes stems from their return potential and diversifying power. Today's actual and target portfolios have significantly higher expected returns and lower volatility than the 1985 portfolio. Alternative assets, by their very nature, tend to be less efficiently priced than traditional marketable securities, providing an opportunity to exploit market inefficiencies through active management. The Endowment's longer time-horizon is well suited to exploiting illiquid and market inefficiency.

- Higher returns potential**
- Greater diversification power**
- Lower volatility**

Institutional Investments 2019



8.3%

Publicly Listed Markets



12.3%

High Yield Bonds



11.0%

Private Equity Investments

Retail investors are not quite as vested in alternative investments. While Institutions, on average, hold 30-40% of their portfolios in alternatives, Retail investors have as little as 3% invested in the alternative space.



Institutional Investors

Hold 30%-40%
in Alternatives



Retail Investors

Hold 3%
in Alternatives

With that said, many retail investors are becoming aware of the limitations of traditional assets. The latest market uncertainty is functioning as a catalyst for further growth within the Private Equity space. Investors with longer investment time horizons and less need for liquidity are now looking to exploit the excess returns on offer.

At Holdun we look to ensure all our clients, small or large, have equal opportunity to diversify their portfolio appropriately. The Holdun Opportunity Fund offers investors a unique opportunity to invest directly into the Private Equity market. Once a domain exclusive to Institutions and Hedge Funds is available to individual investors looking to increase their portfolios risk-adjusted returns.

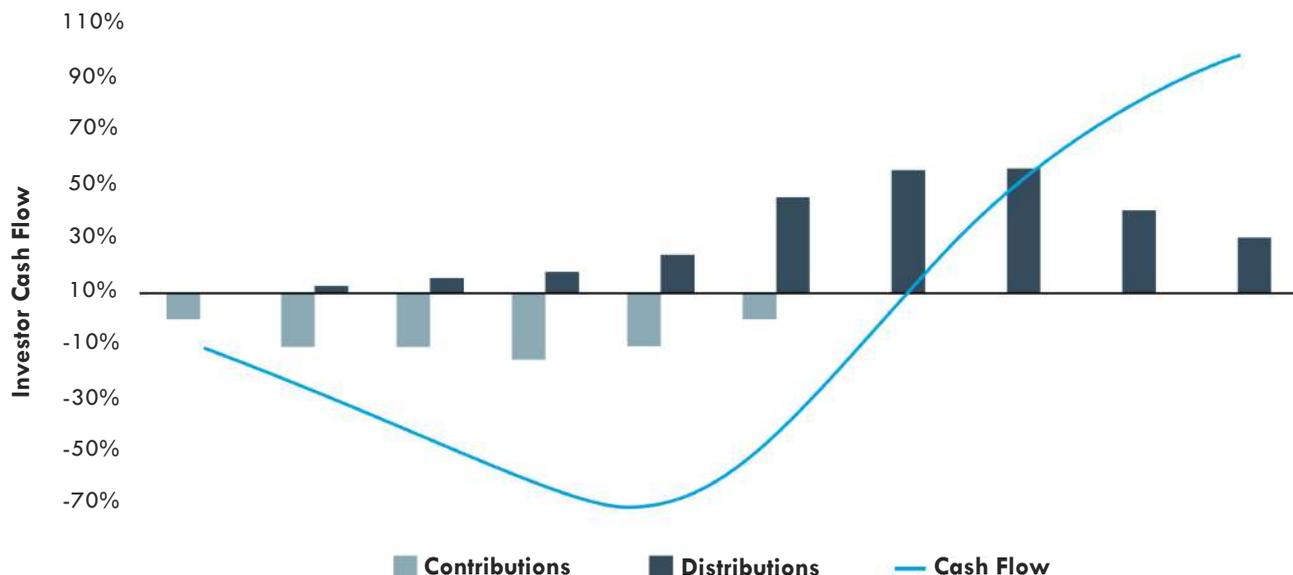
Private Equity Shortcomings

The J Curve

Unlike public equity, private equity investments initially have negative returns and accumulate negative net cash flows for a relatively long period. The root issue with private equity is that early-stage companies, by design, will have a higher cash burn rate ensuring negative returns and cash flows in the early years of the investment. This initial negative cash flow stream synonymous with private equity investments is referred to as the J-Curve.

Cash flow could be negative for 4-6 years in a typical private equity investment.

Private Equity Fund – Cash Flow Model



Private equity has traditionally had lengthy lock-up periods — commonly 6-8 years but potentially much longer — and illiquidity of this duration can certainly be worrisome, as life changes can create unexpected needs for capital.

We acknowledge that by its nature, private equity is illiquid, and investors have historically been compensated for this illiquidity with higher returns; ideally, however, the length and degree of lock-ups would be somewhat lessened. This is where the Holdun Opportunity Fund comes in.

Lock-up Period

A lock-up period is a window of time when investors are not allowed to redeem or sell shares of a particular investment.



8-10 Year

Lock-up

Holdun Opportunity Fund

The Problem



J-Curve

Private Equity offers tremendous capital appreciation long term but typically offers little to no cash flow for the first 2-7 years



Equity Correlation

Most private equity funds bear much of the hallmarks of overall equity beta



Long-term Lock-Up

Commonly 8-10 years. Investors are not allowed to redeem or sell shares during this time.

The Objective of the Holdun Opportunity Fund is to provide the capital appreciation opportunities that Private Equity offers while also providing current income. In other words, provide a Private Equity return stream without being exposed to the long-term lock-out period typically associated with Private Equity Funds. This is accomplished by allocating approximately 60% of the funds capital to investments which provide reliable and predicable income backed by hard assets; mortgage-backed collateralized securities and collateralized portfolio interest loans. The remaining 40% of the asset allocation is channelled into investments which are acquired for capital appreciation. These include investments in technology companies, start-up ventures, buy-outs, and pre-IPOs.

The Solution



Income Generating

60% income generating allocation ensures steady and consistent returns throughout the life of the fund



Greater Diversification

The Income/Private Equity blend ensures little correlation to Public Equity



Short-term Lock-Up

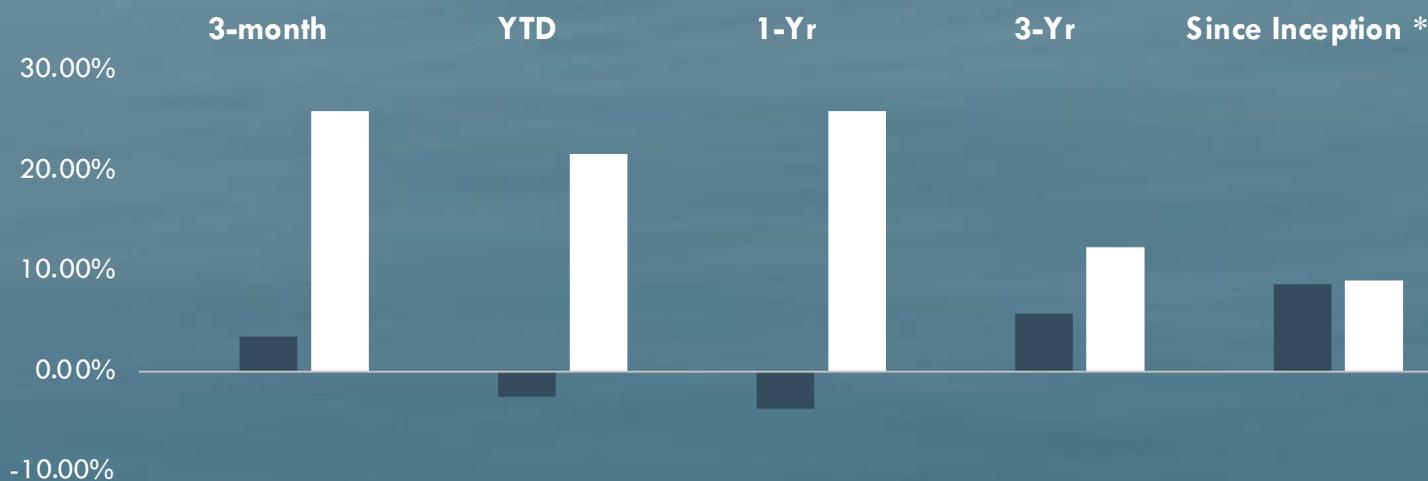
No capital call requirements and a 2-year lock-up instead of the 10-year lock-ups of many traditional PE Funds

Investment Strategy



Performance Analysis

As at 30th September 2020



* Since Inception Returns as of the 31st of July 2016.

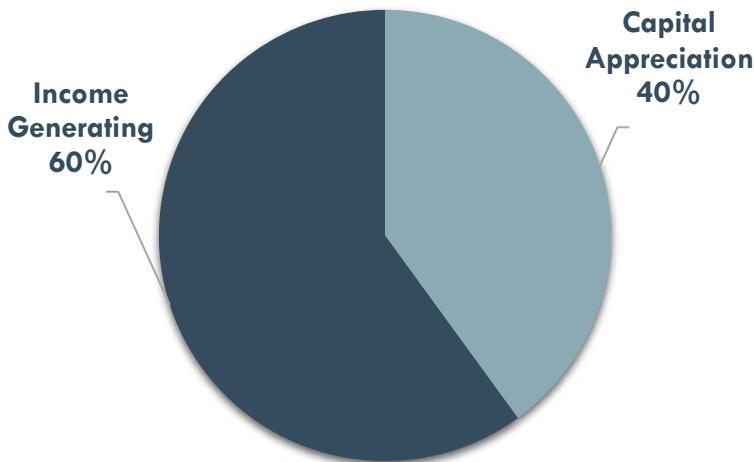
■ Portfolio ■ Benchmark

Trailing Returns (Net)	3-month	YTD	1-Yr	3-Yr	Since Inception *
Portfolio	3.5%	(2.5%)	(3.7%)	5.8%	8.7%
Benchmark **	26.0%	21.7%	26.0%	12.4%	9.1%

**Benchmark is the HFRI Fund Weighted Deposit Fund Index

The Structure

Target Allocation



INCOME GENERATING Investments producing reliable and predictable income backed by real assets and investment.

1. AAA rated GNMA Bonds backed by the full faith and credit of the US Government.
2. Factoring: debtor financing whereby accounts receivables are sold to a third party at a discount to provide immediate liquidity to the seller.
3. Real Estate Promissory Notes
4. Falcon 5 Sports betting platform, completely uncorrelated to the Stock Market, providing an annualised return of 29% a year since inception in 2010

CAPITAL APPRECIATION

Private Equity allocation provides the big upside with minimal capital investment, not all deployed at once.

Private Equity and other Ventures: Direct Investing in Privately Held Companies with significant upside and minimal capital intensity.

In 2020

Private Equity

Historically, private equity has outperformed broad-based public equity indices

The Most Recent Volatility Presents a Significant Opportunity for Investors

Despite record low interest rates, borrowing is becoming an obstacle for many companies. An investor might assume that borrowing just got easier and cheaper for all types of businesses in the U.S. as a result of the record-low policy rates, but this is far from the truth. Banks and Fintech companies are tightening the credit approval criteria in fear the imminent recession might lead to a significant rise in delinquencies.

Opportunities for Private Equity Firms to Invest at Attractive Prices

The decade-long bull market and the availability of credit at low cost forced private equity firms to hoard cash as attractive investment opportunities were hard to come by.

Now, As small businesses find it difficult to secure funding from traditional sources, private equity firms will have an opportunity to tap into high-growth companies at attractive prices.

20 Year Performance*	Annualised Return
Cambridge PE Index	11.70%
S&P 500	6.30%

* Information as at the 31/09/2019

Proven Winners



Tally, an automated Credit Card debt consolidation platform.

Growth: 250%-350% year-on-year since being placed in the fund.

Current Valuation: \$285 million.

Tally was most recent named in Forbes 'Next Billion-Dollar Start-ups' list.



owl.co

A.I. based platform that offers customer onboarding, automated KYC and AML, and fraud detection tools to financial institutions. Owl.co have doubled revenue since Holt Accelerators initial investment.



ADDEPAR

Wealth management platform specializing in data aggregation, analytics, and portfolio reporting.

Revenue increased to ~\$70m in 2019 from ~40m in 2018.

Addepar has recently launched 'marketplace' to function as a trading platform for the \$2 Trillion of assets on addepar. This combined with recent expansions into Europe and Asia, leaves plenty room for continues growth.



Bolt Mobility is a Miami based electric scooter company founded by Olympic Sprinter Usain Bolt. Bolt recently closed a \$30m Series A funding round. Current valuation of \$100m.



A montreal based leader in Artificial Intelligence with partners such as KPMG and Hewlett Packard. Recently Closed \$53M CAD Series A funding round that will accelerate the company's expansion into North America.

Over the years, as a family, we have established strong relationships with the likes of the Tavistock Group, the Adi Dassler Family Office and Sway Ventures.

TAVISTOCK[®]
—GROUP—



/sway ventures

These well-established relationships ensure we are perfectly positioned to avail of unique investment opportunities at an early stage, allowing us to maximise the capital appreciation capabilities of the portfolio.

Why Holdun?

This unique investment opportunity is the first of its kind in the Caribbean

A prohibitive challenge over the years has been the inability to access private equity—the minimum starting investment was \$1 million or more, and diversification meant an investor’s net worth should be in the tens of millions to allow for adequate exposure.

At Holdun we look to ensure all our clients, small or large, have equal opportunity to diversify their portfolio appropriately. With the substantial volatility observed in the capital markets, clients are looking for alternative investments to improve the structure of their portfolios while minimizing risk and maximizing returns.

“How can I adequately diversify with a limited amount of capital?”

This is no easy task, as these asset classes often require substantial investment and long-term commitments.

To address this, we developed the Holdun Opportunity Fund. This fund was created and is managed in-house to provide our clients with the opportunity to maintain proper diversification without the long-term commitment and capital requirements synonymous with Private Equity.

As well as the higher risk adjust return on offer, the fund also boosts exclusive direct investment opportunities into some of our best performing companies.

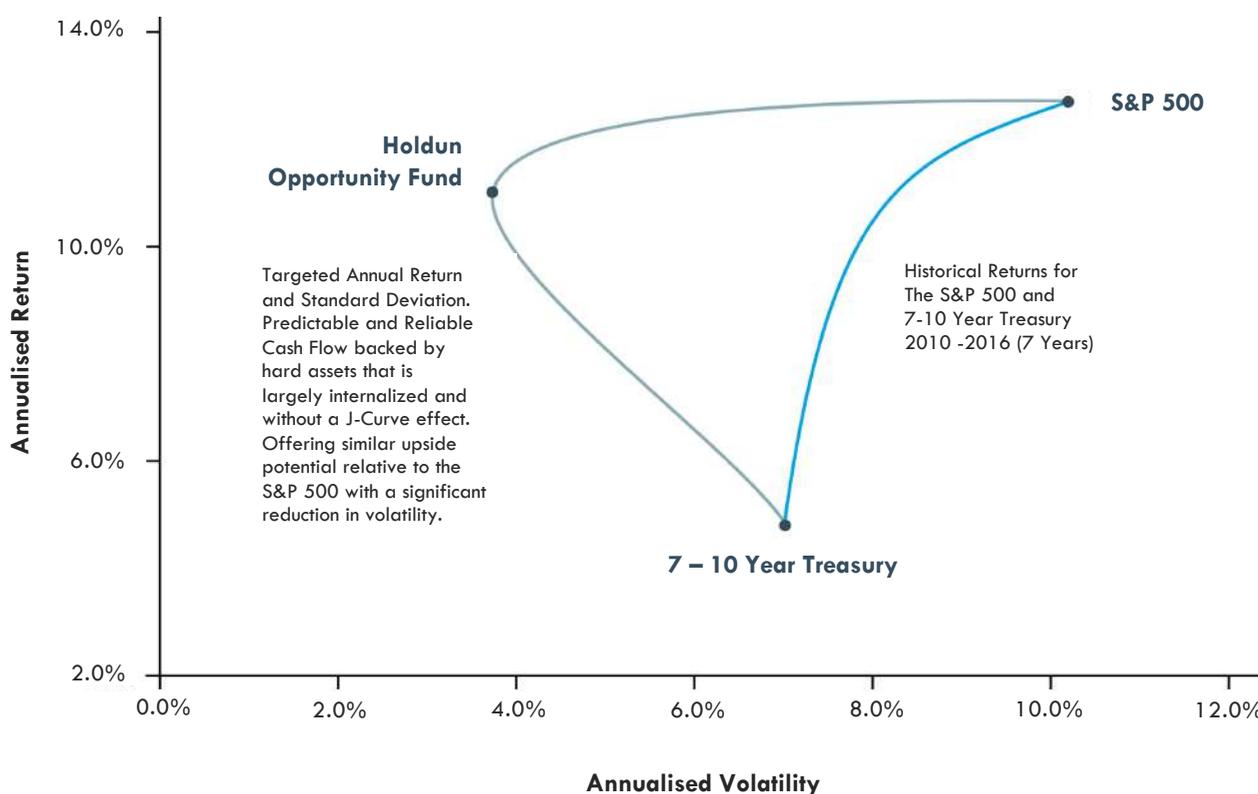
FINTECH ACCELERATOR

– est. 2017 –

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An Increase in Risk-Adjusted Return

Holdun Opportunity Fund vs Traditional Assets



The Team



Brendan Dunn

Based in the Bahamas, Brendan Holt Dunn is the Chairman and CEO of Holt Financial, CEO of Holdun Family Office, Founder and Managing Partner of Holt Accelerator and board member of the Canadian Lyford Cay Foundation.

Before coming on board to run the family business, Mr. Dunn spent time working in Nassau, Bahamas under Jeff Everett, the president of Franklin Templeton Mutual Funds, in the research department. Brendan Holt Dunn holds a Bachelor of Administrative and Commercial Studies, with a focus on finance, from the University of Western Ontario.



Philip Stewart

Chief Development Officer. Based in the Cayman Islands, Philip Stewart has over 19 years experience in the UK and Caribbean Financial Services Industry Management, where Philip was a Senior International Private Banker with global clients. Philip joined Holdun in 2015 to open the Cayman Islands office and is Head of Business Development, Strategy and Capital Raising for Holdun.

Philip also works directly with his clients to provide holistic wealth management solutions, which include global banking, investment, credit and trust solutions.

Summary

Fund Terms

CURRENT CAPITAL RAISE	Open-Ended
TERM	Open-ended following 2-year lock-up
FUND CLASSES	USD, CAD
MINIMUM INVESTMENT	\$100,000 or equivalent amount in CAD
LIQUIDITY	Quarterly following 2-year lock-up
NAV FREQUENCY	Quarterly
FUND STRUCTURE	Bahamas Smart Fund 001
MANAGEMENT FEE	1.5% per annum
PERFORMANCE FEE	20% of the fund returns above a hurdle of 8%
AUDITORS	Grant Thornton
FUND ADMINISTRATORS	Winterbotham Corporate Administrators, Bahamas

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