

## Monthly Update

31 December 2021

### About

The Swell Global Portfolio is an absolute return, benchmark unaware global equities strategy with the flexibility to invest in companies listed in developed markets around the world. It targets a return of 9% per annum after fees over rolling three-year periods.

### Top 5 Holdings (alphabetical)

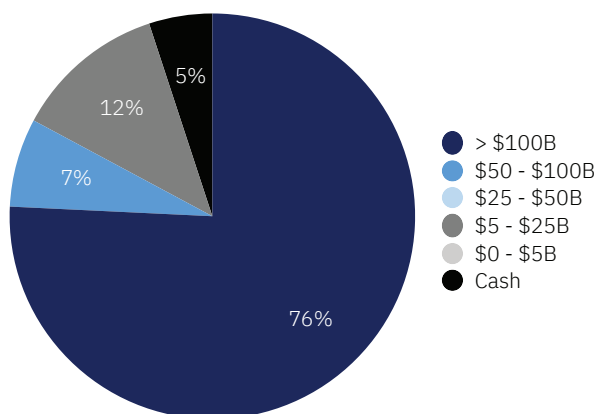
Alphabet Inc	Interactive Media & Services
Amazon.com Inc	Internet & Direct Marketing Retail
Block Inc	Data Processing & Outsourced Services
Meta Platforms Inc	Interactive Media & Services
Zillow Group Inc	Real Estate Services

### Portfolio performance

Performance	Portfolio %
1 month	-1.64%
3 months	-5.21%
6 months	-6.48%
1 year	10.37%
2 years (pa)	13.65%
3 years (pa)	19.28%
4 years (pa)	16.10%
5 years (pa)	16.08%
6 years (pa)	15.98%
Inception	156.13%

Past performance is not indicative of future performance

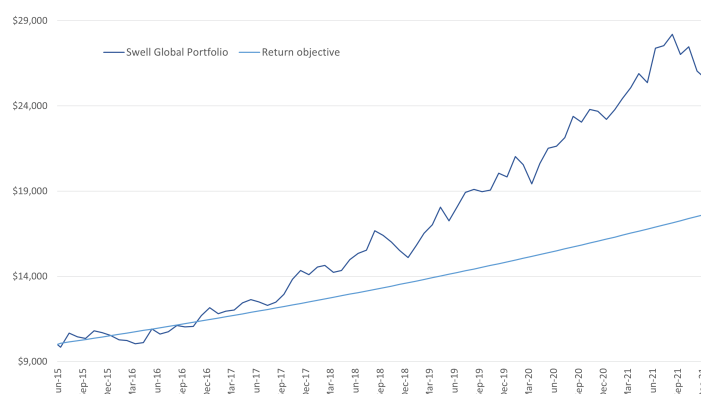
### Market Capitalisation (US\$)



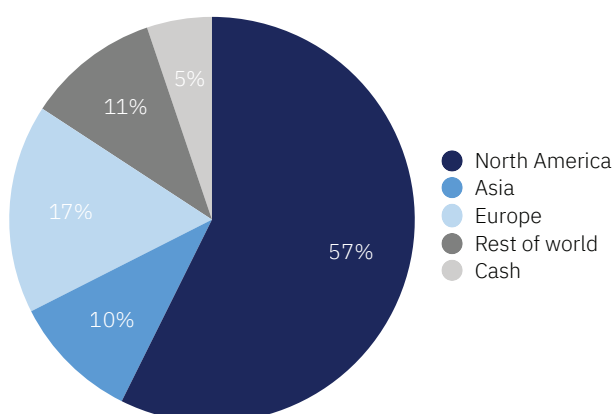
### Key Details

APIR	SWE0174A
Structure	SMA
Inception date	18-Jun-15
Strategy FUM	A\$98.9 million
Number of companies	14
Minimum investment	\$500,000
Benchmark	MSCI World net total return (AUD)
Currency	AUD unhedged
Management fee	1.25%
Performance fee	15%

### Portfolio performance since inception



### Regional Allocation by Revenue



## Top contributors this month \*

### Zillow

Early in December Zillow revealed the progress of divestment of properties purchased through Zillow Offers, its terminated iBuying business. The process was ahead of schedule, and the value of the divestments was expected to reach \$2.3 to \$2.9 billion, up from the guidance provided a month earlier of \$1.7 to \$2.1 billion. In addition, the company announced some of the proceeds would be allocated to a \$750 million share buy back plan. Both disclosures were well received by the market.

Zillow recently appointed Jenny Arden as the Chief Design Officer to take on a range of design leadership responsibilities, all focused on delivering seamless, connected and customer-centric experiences. It continues to amplify user offerings, partnering with Down Payment Resource in December to enable prospective home buyers to identify deposit assistance and lending programs available to them. A collaborative tool utilising Apple FaceTime allows home shoppers to search listings with friends and family within the Zillow app.

### Booking

The gradual opening up of travel opportunities around the world provided momentum to Booking Holdings in December, and many analysts expect 2022 will offer further impetus to the company's stable of online travel and hospitality services. In its review of US travel trends for 2021, Priceline found accommodation deals saved travellers more than 25% on 2020 prices. However, average prices for the first quarter of 2022 rose 18% for hotels and 32% for airline tickets.

The acquisition of business to business hotel room distributor, Getaroom, was finalised on December 30. It will join the Priceline brand and its current CEO, Matt Davis, will lead a new strategic partnerships business unit to further relationships with industry suppliers.

### Disney

Disney confirmed Susan Arnold would replace Robert Iger as Chairman of the board on December 31, when Mr Iger steps down after nine years in the role. Ms Arnold joined the board in 2007. Significant executive appointments were announced during the month including former BP executive and Pentagon press secretary Geoff Morrell as Chief Corporate Affairs Officer and the extension of Christine McCarthy's tenure as Chief Financial Officer until 2024.

Marvel Future Revolution was named the iPad Game of the Year in Apple's 2021 app store awards. The game is a collaboration between Marvel and Korean game developer Netmarble.

The pipeline of new series on Disney+ opened in December, with the highly anticipated The Book of Boba Fett. Much of the new content held up due to COVID-19 related production disruptions is expected to be released in the first half of 2022, which should drive subscriber growth. Further earnings potential is expected from the reopening of theme parks and cruise operations.

## Bottom contributors this month \*

### Block

On December 1 Square announced it would change its name to Block. CEO Jack Dorsey said the change was an acknowledgement the company had grown from its origin as a commerce platform for business. The new name represents the amalgam of the components, or building blocks, of the business.

During the month the company released the 2022 future of commerce report, a survey of 1,500 business users and 1,000 consumers in the US, which found two increasingly stable trends. One is a growing preference for omnichannel technology, with both merchants and consumers seeking diverse options for transacting business, from QR coded menus and contactless payments in restaurants to click and collect in hybrid stores. The other is increasing use of social commerce, where consumers interact with brands and merchants on social media, and complete transactions without leaving the social media platform. Block facilitates both trends.

### Amazon

Amazon has partnered with Pfizer to form the Pfizer Amazon Collaboration Team (PACT) initiative to improve the development, production and distribution of new drugs for clinical trials. The partnership will use technology such as Amazon Lookout for Equipment which uses sensor data to detect and avert abnormal equipment behaviour. Machine learning, AI and enhanced storage and compute capacity will help to accelerate Pfizer's pharmaceutical innovations.

Amazon will invest \$5 billion in Indonesia in a new regional data centre servicing the Asia Pacific. The 15 year project is expected to create more than 24,000 direct and indirect jobs while tech hubs in Phoenix and Austin in the US will add more than 2,500 new positions.

A two year pilot program will provide training and mentoring to help real estate developers from minority groups in four US regions provide affordable housing. Amazon has committed \$21 million to the program which will include virtual and in person classes, professional networking and access to pre-development capital support for work such as architectural and engineering costs and planning fees.

### Netflix

Following the success of its Tudum virtual fan event in September, this month Netflix launched the Tudum website to engage with viewers. The site will provide release dates and updates about programming and new features, as well as interviews and behind the scenes looks into Netflix content. The iOS and Android gaming service continues to grow with the inclusion of dominos and golf games during the month. Netflix games are free to subscribers, with no advertising or in app purchases, as the company has stated its gaming objective is to entertain and retain subscribers.

Netflix has partnered with creative platform Stage 32 to develop a five part course titled Creating Content for the Global Marketplace. The course is available free of charge to the 800,000 members of Stage 32, guiding them through the TV production process from formatting pilot programs to budgeting to create a series. The two organisations created a workshop for television pitching earlier in 2021 which was attended virtually by more than 100,000 creators in 160 countries.

\* Contribution is relative to other companies in the Portfolio.

## Further Information

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