

Monthly Update

30 September 2022

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)

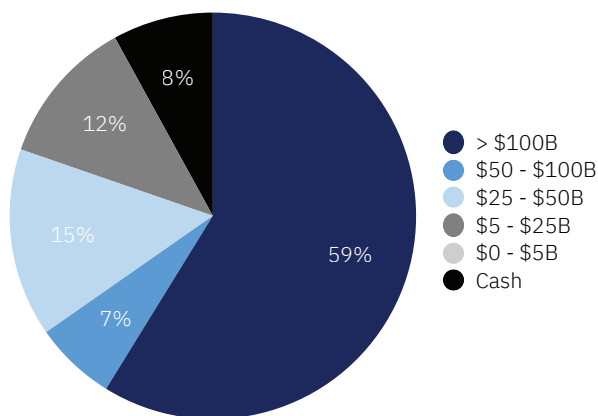
Alphabet Inc	Interactive Media & Services
Amazon.com Inc	Internet & Direct Marketing Retail
Microsoft Corp	Systems Software
Shopify Inc	Internet Services & Infrastructure
Zillow Group Inc	Real Estate Services

Portfolio performance

Performance	Portfolio %
1 month	-7.05%
3 months	-0.24%
1 year	-43.95%
2 years (pa)	-18.93%
3 years (pa)	-7.23%
4 years (pa)	-1.98%
5 years (pa)	3.18%
6 years (pa)	5.43%
7 years (pa)	6.54%
Inception	51.44%

Past performance is not indicative of future performance

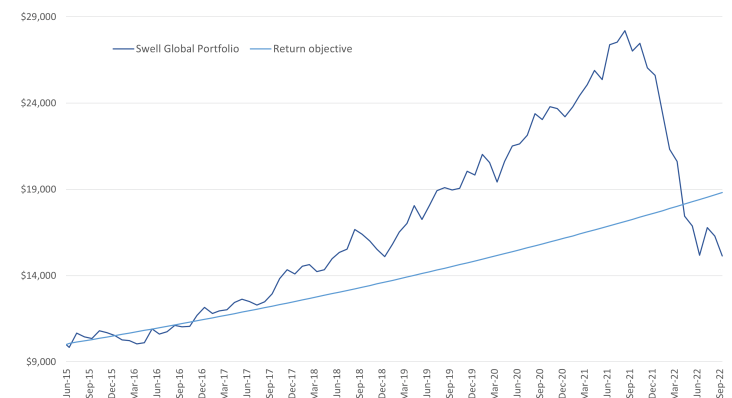
Market Capitalisation (US\$)



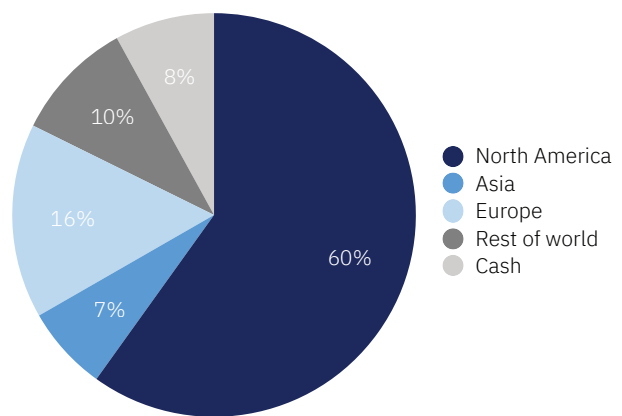
Key Details

APIR	SWE0174A
Structure	SMA
Inception date	18-Jun-15
Strategy FUM	A\$56.48 million
Number of companies	12
Minimum investment	\$500,000
Performance Fee Hurdle	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 *

Netflix

Netflix announced several gaming developments in September, building on the strong progress it has made since moving into gaming in November 2021. Six new games were added to its catalogue and it is partnering with Ubisoft to create a series of exclusive mobile games based on the popular Valiant Hearts, Mighty Quest and Assassin's Creed games, starting in 2023. A fourth games studio will be established in Helsinki, joining Next Games, Night School Studio and Boss Fight Entertainment. Each studio has a different focus area, enabling Netflix to create diverse content for its global subscriber base.

Netflix hosted its annual fan event, Tudum, on September 24, where subscribers experienced more than 200 celebrities announcing exclusive news, trailers and previews from upcoming series, films and games during five virtual events. The events generated significant traffic, reaching nearly 1 billion views, 36% more than last year's event, and #Tudum trended on Twitter globally for more than 10 hours during the event. The five Tudum shows were also streamed on Netflix.

Deere

Three new self-propelled forage harvesters were introduced in September, featuring reduced fuel consumption, improved efficiency and extended servicing schedules. The harvesters provide more options for farmers challenged by increased operating costs, shorter harvesting windows and a smaller pool of skilled workers. The new models feature multiple innovations including a new Power Systems 18L engine, sensing and documentation technology to help farmers analyse data from worked fields, and connection technology to enable data transfers between the machine and the Deere's Operations Center mobile app.

A joint venture with GUSS Automation, announced in April, has driven development of the first autonomous herbicide orchard sprayer. The high-tech sprayer uses LIDAR technology and nine sensors to detect and spot-spray weeds, increasing precision and efficiency while reducing risks to the operator, environment and orchard produce. One operator can monitor up to eight sprayers.

Deere acquired majority ownership of Kreisel Electric, manufacturers of innovative battery technology for e-mobility and stationary systems, in early 2022. It has now funded the expansion of two factories in Europe to improve production capacity as well as a battery assembly facility in the US. The investment further strengthens Kreisel's position as an international battery technology leader, and Deere's long term commitment to sustainability.

Booking Holdings

Booking has partnered with Klook, Asia's leading travel and experience platform, to enable travellers to access Klook attractions directly on Booking.com across 30 markets and over 175 cities, predominantly in Asia and Oceania. This adds to Booking's existing partnerships with Musement and Viator in the North American and European markets. Announcing the deal, Matthias Schmid, SVP for the Booking.com Trips Division, commented: "With everyone keen to get the most out of every opportunity, experiences are more important than ever. They make a trip special, meaningful and above all, memorable... We're very excited about this collaboration and all the new attractions and experiences we can now provide".

Amadeus, a leading technology provider for the travel and tourism industry, notes strong recovery indicators for the remainder of 2022. Its business intelligence data sources, Agency360 and Demand360, reveal trending average daily rates for the northern hemisphere fall season exceeding 2019. Notably, global group travel remains low at 1-2% of pre-pandemic levels, although the conference sector is starting to rebound, with 4.3 million bookings already made for the first half of 2023.

Tripbam, a corporate travel data company, also noted positive trends. The company commented that "any indications of a recession have not yet shown up in business travel bookings and pricing data".

Bottom contributors this month *

Block

Square's complete integrated product ecosystem is now available in Spanish to sellers in the US. This allows Square to better serve the significant community of more than 4.65 million Hispanic-owned business merchants. Spanish-language customer support and resources have also been included.

Square launched Tap to Pay on iPhone for US sellers, enabling sellers to accept contactless payment directly from their iPhone. This public launch follows an early access program which began in June. Powered by Square's intuitive software and requiring no additional costs and hardware, sellers can easily access a flexible mobile solution that meets evolving consumer preferences for contactless payments.

Square released the "Growth of Mobile and Conversational Commerce Report", revealing key insights related to mobile commerce from a survey of US consumers and business owners. 98% of consumers surveyed want to connect with businesses via their mobile devices while 30% expect to shop more through their mobile devices over the next 12 months. 60% of business owners currently use mobile commerce to connect with and sell to consumers, and another 20% are interested in doing so.

Square continues to build on its mobile commerce tools including Square Messages, which saw a 3X increase in active merchants using the platform from March 2021 to August 2022. Recently, Square launched advanced AI messaging features including suggested replies, suggested actions and seamless integration with social media platforms.

Zillow

Zillow has enhanced its search function with a new feature enabling users to exclude homes they are not interested in from search results. Once fully functional, the "hide homes" tool will automatically remove the property for that user across all touch points including home recommendation alerts and emails.

Zillow has launched ShowingTime+, a unified brand which integrates the best-in-class technology offerings for agents, brokers and multiple listing services. The software suite includes all existing products and services from ShowingTime, dotloop, Bridge Interactive, 3D Home tours and interactive floor plans. Jun Choo, SVP of ShowingTime+, noted "Ultimately, our goal is to reduce transaction friction for everyone by offering an integrated, open platform for real estate professionals to run their business. Nearly 90% of home shoppers and sellers work with an agent, and at ShowingTime+, we want to help agents bring them home".

A buyers' market is expected before the end of 2023 according to most economists and housing experts surveyed by Zillow. Rapidly rising mortgage rates have magnified affordability challenges that surfaced during the pandemic when home value growth hit record highs. Home values are down slightly across the US and declining more steeply in some of the most expensive metros. However, Zillow's latest market report still shows shorter time on market and lower inventory compared to 2019 levels. Rent growth was also expected to outpace inflation and home value growth in the next 12 months as priced-out potential home buyers exert additional pressure on the rental market, exacerbating persistent affordability hurdles.

Amazon

The first episode of *The Lord of the Rings: The Rings of Power*, Amazon Studio's original series exclusive to Prime Video, attracted more than 25 million global viewers on its first day. This makes it the biggest premiere in Prime's history. Episodes have been released weekly on the streaming service, culminating in the October 14 season finale.

Amazon announced new and improved products, tools, and features for merchants during its third annual seller conference, Amazon Accelerate. Improved email marketing functionality for sellers will more closely track customer responses and activities such as click through rates. Enhancements to Amazon's analytics tools help sellers launch new products and increase sales. Buy with Prime, Amazon's commerce solution that extends beyond Amazon.com, will offer new marketing solutions for participating sellers. Veeqo, a multi-channel shipping business acquired by Amazon earlier this year, is now available free, and a new Alexa capability enables brands to connect to customers by answering common questions.

Amazon also held its annual hardware event in September, introducing a host of new products and updates to existing devices. Halo Rise is a bedside sleep tracking device using sensor technology and machine learning to accurately record sleep stages. Fire TV Omni QLED Series is the first to feature the new Fire TV Ambient Experience that can detect motion to feature photos, art or Alexa widgets. Kindle Scribe is the first Kindle eReader to ship with its own stylus and the latest Echo Dot devices come with improved sound and added functionality as an Eero node.

Further Information

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