

Monthly Update

30 June 2023

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)

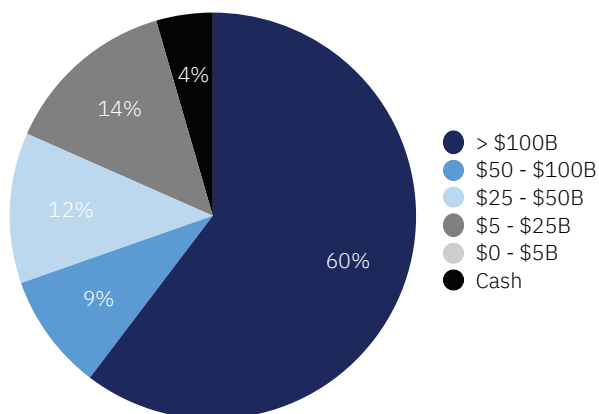
Alphabet Inc	Interactive Media & Services
Amazon.com Inc	Broadline Retail
Meta Platforms Inc	Interactive Media & Services
Microsoft Corp	Systems Software
Zillow Group Inc	Real Estate Services

Portfolio performance

Performance	Portfolio %
1 month	3.53%
3 months	17.05%
1 year	42.42%
2 years (pa)	-11.15%
3 years (pa)	-0.02%
4 years (pa)	4.59%
5 years (pa)	7.10%
6 years (pa)	9.57%
7 years (pa)	10.70%
8 years (pa)	10.34%
Inception	116.21%

Past performance is not indicative of future performance

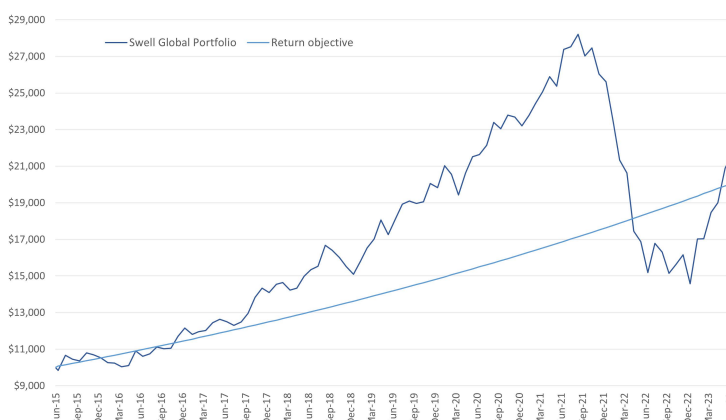
Market Capitalisation (US\$)



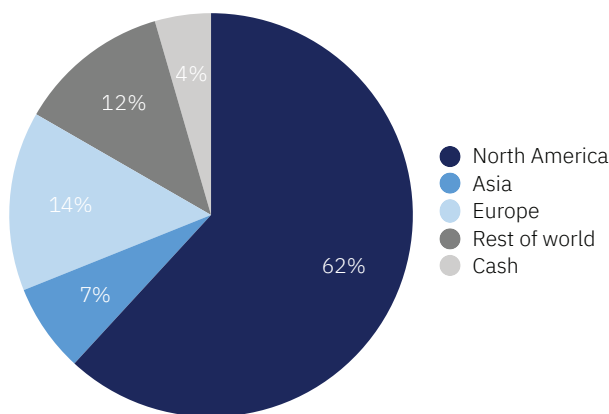
Key Details

APIR	SWE0174A
Structure	SMA
Inception date	18-Jun-15
Strategy FUM	A\$54.56 million
Number of companies	14
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 *

Zillow Group

ShowingTime+ launched Listing Showcase, an AI-powered feature which Zillow believes will redefine the real estate experience for agents and sellers. Initially available in Atlanta, Chicago, Los Angeles, San Diego and Seattle, Listing Showcase uses high-resolution images, interactive floor plans and AI-generated insights highlighting a property's best features. Zillow research has found listings with interactive floor plans are 79% more likely to be saved by users and 10% more likely to receive a buyer offer within 30 days. The subscription will gradually be expanded to include additional features and other markets.

Appointment Center was also released nationwide in June. The software provides agents with a virtual assistant service to book appointments and update vendors on current offers for their homes. Additionally, it aggregates market data on listings and sales to provide pricing and benchmarking information to assist agents to expedite sales.

Amazon

At the Cannes Lions International Festival of Creativity Amazon introduced its Generative Artificial Intelligence (Gen AI) and first-party data collaboration tools for advertisers. A highlight was Amazon Bedrock, a fully managed service that accesses foundation models from leading AI startups via APIs which enable the creation of Gen AI applications. It also demonstrated CodeWhisperer, a Gen AI-driven coding companion that dramatically boosts developers' efficiency.

A \$100 million investment in the AWS Generative AI Innovation Center will help customers develop and deploy Gen AI solutions. The program will link customers with AWS's AI and machine learning experts to create novel generative AI products, services and processes. AWS will offer free workshops and training to help customers identify valuable use cases.

Amazon is expanding its delivery services through thousands of small US businesses to strengthen the "last mile" delivery network. Participating small businesses will contract to deliver an average of 30 parcels daily which they will receive via Amazon's Delivery Service Partner network drivers and Amazon hopes to sign up 2,500 small businesses by the end of 2023. The program began in India in 2015 under the name "I Have Space" and seeks to offer small businesses new revenue streams while meeting customer expectations for reliable and speedy shipping.

Meta

Meta has launched a subscription service, Meta Quest+, for its Quest 2 and Pro virtual reality headsets, as well as the Quest 3 upon its release. Priced at US\$7.99 per month or \$59.99 annually, subscribers can access two top gaming titles each month, which they can retain as long as they remain subscribed. The first games available are FPS Pistol Whip and Pixel Ripped 1995, with more to be added in coming months. Meta's new service sets it apart from competitors like PlayStation, which offers no VR games with its subscription. An introductory offer allows users to pay just \$1 for the first month if they sign up before July 31.

Earlier in the month, Meta previewed its upcoming virtual reality headset, Quest 3 in a video shared by CEO Mark Zuckerberg. The new headset, priced at US\$499, is high-resolution colour mixed reality and is 40% slimmer than the Quest 2. It features at least three cameras for enhanced pass-through experiences, improved depth perception, upgraded graphics for gaming and is powered by a next-generation Qualcomm chipset.

The preview demonstrated high-fidelity colour passthrough, machine learning and spatial perception to allow users to interact with virtual content and the physical world simultaneously. More details on Quest 3 are expected to be revealed during Meta's Connect conference in September. Quest 3 was unveiled just hours before Apple's Vision Pro headset, which is due next year, priced at US\$3,499.

Meta's WhatsApp Business application has reached more than 200 million users, a substantial increase from 50 million three years ago. Meta continues to integrate its platforms for business, and will soon allow WhatsApp Business app users to develop, purchase and publish Facebook or Instagram ads from within the WhatsApp Business app, with only an email address and a payment method required. The ads will lead users to a chat on WhatsApp where they can inquire about, browse and purchase products. Meta is also preparing to trial a feature enabling small businesses to send tailored messages to specific customer lists, schedule when the messages will be sent and assess their effectiveness.

Bottom contributors this month *

Alphabet

Google Cloud and Salesforce have expanded their collaboration on AI, data and CRM. The integration of Salesforce Data Cloud with BigQuery will assist companies to create unified customer profiles with cross-platform and cross-cloud data access, simulating the experience of having all data in a single location. The result will reduce the cost and complexity of data movement or duplication while maintaining governance and security. The integration will address specific business needs like predicting buying behaviour or churn likelihood.

Google will reduce its workforce at the mapping app Waze as it integrates the unit into Google's own map products. Waze's existing advertisers will move to Google Ads technology.

A recent investigation by research firm Adalytics suggests Google breaches its own standards in placing video ads on third-party sites through its Google Video Partners program. The service offers advertisers a premium experience where pre-roll, non-skippable audio-on ads are shown on high-quality sites. Adalytics claims Google is failing to meet these standards around 80% of the time, having examined campaigns from over 1,100 brands including Johnson & Johnson, American Express, Samsung, Sephora, Macy's, Disney+ and The Wall Street Journal that collectively garnered billions of impressions from 2020 to 2023. In a company blog post Google responded that the report used unreliable sampling and proxy methodologies and made "extremely inaccurate claims about the Google Video Partner (GVP) network".

GE Healthcare

GE Healthcare Technologies took the place of fintech company Fiserv (FISV) in the Nasdaq-100 Index (NDX) on June 7. It will also substitute Fiserv in the Nasdaq-100 Equal Weighted Index (NDXE) and the Nasdaq-100 Ex-Tech Sector Index (NDXX).

The company received FDA clearance for its groundbreaking Precision DL, a deep learning-based image processing software that could revolutionise PET/CT imaging. Precision DL provides image quality performance benefits usually only found with hardware-based Time-of-Flight (ToF) reconstruction, including improved contrast-to-noise ratio, contrast recovery and quantitative accuracy. It is the latest addition to the Effortless Recon DL software portfolio, exploiting deep learning to deliver improved image quality and significantly enhance patient outcomes.

* Contribution is relative to other companies in the Portfolio.

Booking Holdings

Booking launched a beta version of its new AI Trip Planner for a selected group of US users in June. The AI Trip Planner is built on Booking.com's pre-existing machine learning models integrated with OpenAI's large language model technology, offering a unique conversational interface for the trip planning process. It will enable users to pose both general and specific travel-related inquiries, aiding every step of the planning process, including identifying destinations and accommodation, creating travel inspirations tailored to the user's preferences and needs and generating itineraries.

Priceline, a subsidiary of Booking Holdings, is partnering with Google to incorporate AI into its online travel agency. The AI tech will provide code suggestions for developers, enhance search capabilities within employee intranets and expedite marketing for trending destinations. It will include an advanced chatbot for trip planning and hotel recommendations, acting as a "personal concierge" for users utilising existing Priceline data like hotel prices to ensure accuracy.

Further Information

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