

Swell Global Portfolio

Monthly Update



November 30 2024

About

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

Top 5 holdings (alphabetical)

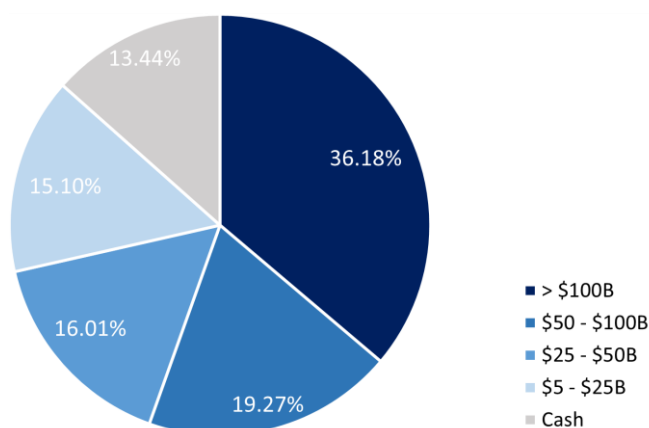
Amazon.com Inc	Broadline Retail
Block Inc	Transaction & Payment Processing
Intercontinental Exchange Inc	Financial Exchanges & Data
Microsoft Corp	Systems Software
Zillow Group Inc	Real Estate Services

Portfolio performance

Period	Portfolio %
1 month	9.98%
3 months	15.14%
1 year	38.43%
2 years (pa)	39.27%
3 years (pa)	6.36%
4 years (pa)	7.24%
5 years (pa)	9.33%
6 years (pa)	12.42%
7 years (pa)	11.81%
8 years (pa)	13.10%
9 years (pa)	12.69%
Inception	213.30%
Inception (pa)	12.89%

Past performance is not indicative of future performance

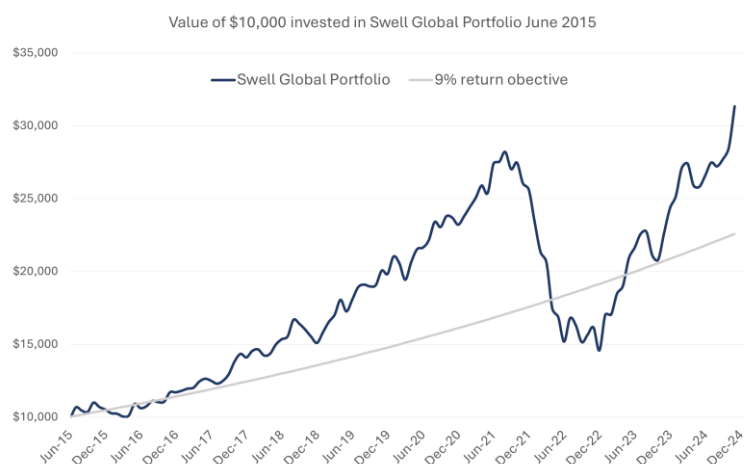
Market capitalisation (US\$)



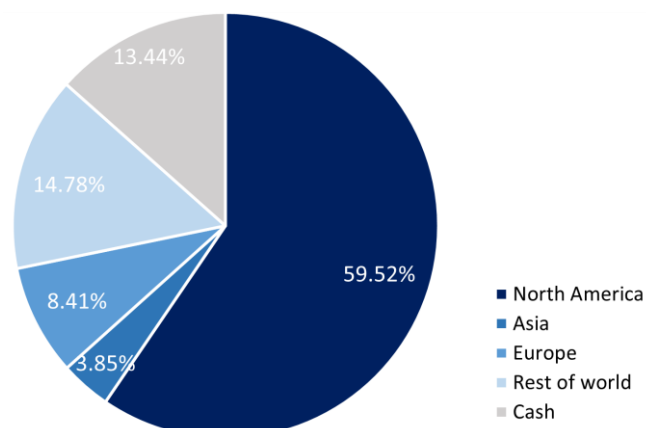
Key details

Structure	SMA
Inception date	18-Jun-15
Strategy FUM	\$80.50 million
Number of companies held	15
Minimum investment	\$500,000
Currency	AUD unhedged
Management fee	1.25%
Performance fee	15%
Performance fee hurdle	MSCI World net total return (AUD)

Portfolio performance since inception



Regional allocation by revenue



Top contributors this month *

Zillow

Zillow has added BuyAbility to its app, an affordability tool from Zillow Home Loans which give buyers an up to date estimate of the home price and monthly repayment they can afford and their likelihood of qualifying for a loan. Home searchers enter basic financial information and BuyAbility generates an estimate of the mortgage value for which they might qualify and a recommended maximum purchase price based on their preferred monthly payment limit. Zillow added the feature to assist buyers who are not ready to share their personal financial situation with a loan officer but still want to navigate the complex landscape of loan qualification conditions and volatile interest rates.

Three months after Jeremy Wacksman was promoted to the role of CEO Zillow announced his former Chief Operating Officer position will be taken by Jun Choo. He joined the company in 2015 when Trulia was acquired and has held leadership roles in sales, marketing and software at Zillow. Most recently, he was Senior Vice President of Real Estate Software which encompasses Zillow Premier Agent sales, ShowingTime, dotloop, Zillow Showcase and Aryeo.

In the same announcement Zillow revealed Susan Daimler, president since 2021, and her husband Matt Daimler, senior vice president of product, are leaving the company after 12 years.

Zillow Research released its housing market predictions for 2025 this month. It forecasts 2.6% home value growth in 2025, historically a relatively slow pace although similar to this year. For existing home sales, Zillow forecasts 4.3 million in the coming year, up slightly from 4.1 million in 2023 and a projected 4 million in 2024. The researchers suggest affordability challenges will remain but buyers should expect to see more homes available on the market.

Block

Block's bitcoin self custody wallet Bitkey has introduced an inheritance plan enabling wallet owners to transfer funds held in their Bitkey wallet to a designated beneficiary after their passing. Bitkey was created to extend access to self-custody and empower people to manage their bitcoin simply and securely. Unlike other cryptocurrency accounts it does not use long and complex passwords and has a simple onboarding process.

Block is an early adopter of Anthropic's new Model Context Protocol (MCP), an open standard used by developers to build secure, two-way connections between their data sources and AI-powered tools. Block CTO Dhanji Prasanna said "open source is the foundation of our work and a commitment to creating technology that drives meaningful change and serves as a public good for all. Open technologies like the Model Context Protocol are the bridges that connect AI to real-world applications, ensuring innovation is accessible, transparent, and rooted in collaboration."

Block's annual impact investments were established in 2019 to improve financial security in minority and under resourced communities. This year the Community Bank of the Bay in California named Block its sustainability partner of the year. The Bank cited an impact investment which enabled a 7% increase in focused lending through the Bay Area Green Fund, fuelling sustainable growth across the bank's operating region.

Amazon

Amazon launched a beta version of Haul in its shopping app and mobile website for US customers to shop products priced \$20 and under with delivery times of one to two weeks. The majority of products on Haul are \$10 or less and are backed by Amazon's standard guarantee. Additionally, merchants are screened to ensure products are authentic and compliant with US regulations. Earlier this year Amazon announced its intention to establish a low price platform in response to intensive marketing campaigns targeting US consumers by Temu and Shein.

Amazon will invest an additional \$4 billion in Anthropic, doubling its commitment to the AI startup. As part of the deal AWS will be Anthropic's primary training partner, in addition to being its primary cloud provider, and AWS Trainium chips will be used to train and deploy its largest foundation models. AWS customers will gain early access to Anthropic models including being able to fine-tune models with their own data.

AWS launched Quantum Embark, an advisory service offering guidance to help customers starting their quantum computing journey. The program is designed to empower customers to work backwards from their most business-critical and compute intensive use cases, understand the technology, identify relevant quantum tools to focus on and ultimately make informed decisions about future resourcing and their long-term quantum roadmap. Amazon Bracket is the company's the quantum computing service where experienced customers can access a range of quantum hardware on a pay-as-you-go basis.

Amazon's new drone, the MK30, has received FAA approval to begin operations in West Valley Phoenix Arizona, the first device the FAA has approved to fly beyond the visual line of sight. The Prime Air engineering team spent nearly two years developing the MK30 drone which uses a sophisticated on-board detect and avoid system, flies twice as far as previous models, is 50% quieter and can successfully navigate rainy weather.

In 2019 after signing the Climate Pledge Amazon committed to achieving net-zero carbon by 2040 and partnered with Rivian to have 100,000 electric delivery vehicles in service by 2030. It has now commissioned 20,000 Rivian vehicles, as well as trialling 15 other types of electric vehicles including delivery vehicles, e-cargo bikes and e-rickshaws in the US, EU and India. The company plans to invest more than €1 billion over the next five years to further decarbonise its transportation network across Europe.

Bottom contributors this month *

GE HealthCare

At the investor day CEO Peter Arduini said GE HealthCare continued to successfully execute its strategy which had delivered an estimated \$2 billion increase in revenue since leaving the GE conglomerate in January 2023 together with improved margins, higher R&D spend and accelerated AI enabled device roll-out. The four principles of the strategy are developing leadership products to drive organic growth, optimising the business for margin expansion, delivering precision care in key growth areas and expanding recurring revenue through new models and M&A.

The company expects organic revenue growth between 4% and 6% from 2026 to 2028 while adjusted earnings are expected to grow in high-single digits to low-double digits. Projected organic revenue growth in 2024 is maintained at 1% to 2%, although the company conceded it would likely be towards the lower end due to continued softness in the Chinese market. The dividend to be paid on February 14 2025 will rise 17% to \$0.035 per share, equating to an annual dividend of \$0.14.

GE HealthCare and RadNet announced an agreement to create SmartTechnology solutions, with the first clinical use combining RadNet DeepHealth's AI-based SmartMammo workflow and clinical solution with GE HealthCare's Senographe Pristina mammography system for breast cancer screening. Embedding imaging informatics into the mammography system will enable high-volume breast cancer screening to allow specialists to prioritise cases based on suspicion level.

The FDA approved GE HealthCare's SIGNA MAGNUS, a head-only MRI scanner providing high-resolution imaging with shorter scan times. Shorter scan times mean less time spent in the machine, which is beneficial for patients who have difficulty remaining still or claustrophobia. The resolution and image clarity enable more accurate diagnoses, allowing healthcare providers to detect subtle abnormalities and provide better treatment options. GE HealthCare said the system offers new capabilities for both clinical imaging and neuroscience with the potential to aid in the detection of neurological, oncological and psychiatric conditions.

Heineken

Heineken has invested in G Spot, actor Gillian Anderson's startup wellness company which makes sugar-free functional drinks. The range is produced with ingredients believed to help the body respond to stress, anxiety and fatigue and improve wellbeing, thinking and memory. Heineken's minority investment is expected to advance marketing and distribution strategies.

Heineken is developing a €45 million global R&D centre in Zoeterwoude next to its largest European brewery and near the Delft University of Technology. It will include a model service centre and teams focused on sensory research and packaging and will employ staff from 12 countries to develop new products and improve existing products and processes. A Heineken laboratory established at the University will support biotechnological research and provide opportunities for Masters and PhD students to contribute to research projects.

The Centre is named after Dr Henry Pierre Heineken, a Doctor of Chemistry who succeeded his father, founder Gerard Heineken and managed the company from 1917 until 1940. The centre is due to open in 2025 and will play a pivotal role in Heineken's global R&D network, which includes hubs in Mexico, South Africa and Southeast Asia.

Sirocco, a joint venture between Heineken and Emirates Group subsidiary MMI has become a major supplier of premium beverage brands in the UAE since it was established in 2004. It recently received approval to construct Dubai's first large scale brewery which will produce Heineken premium beer brands including Heineken, Amstel, Birra Moretti and Kingfisher. Construction is due to begin in 2025 for completion by 2027.

Tony Costella, Global Marketing and Insights Director at Heineken recently told Forbes the company's AI driven knowledge management system was transforming work across the company. Developed from a large language model and grounded by the company's data it provides a natural language interface staff are beginning to utilise in their daily work. He believes AI assistants will eventually be integrated across the company

Alphabet

Waymo extended its service in Los Angeles this month after 300,000 people had joined its waiting list since launching in April this year. Now all local riders can use Waymo in the city in a geographic area covering around 200 km² from the coast at Venice Beach to downtown LA and the campus of USC.

Google DeepMind and the Royal Society hosted the inaugural AI for Science Forum this month where Google.org announced \$20 million in funding to support AI for scientific breakthroughs. Recipients will be selected by Google DeepMind, Google Research and other internal AI-focused teams together with external experts. \$2 million in Google Cloud Credits and pro bono technical expertise from Google staff will also be available. The initiative aims to support academic and nonprofit organisations around the world using AI to address increasingly complex problems at the intersections of different disciplines of science.

The DoJ this month filed its proposed remedies in response to Judge Mehta's finding earlier this year that Google held a monopoly in search. Alphabet's Chief Legal Officer released a brief response stating "We're still at the early stages of a long process and many of these demands are clearly far afield from what even the Court's order contemplated. We'll file our own proposals next month, and will make our broader case next year." Among other suggestions the DoJ had sought the Judge's approval to force Alphabet to divest Chrome and possibly Android.

* Contribution is relative to other companies in the Portfolio

Further information

Manager Swell Asset Management Pty Limited
 ABN 16 168 141 204
 CAR No. 465285
 AFSL 460572

Administrator Mason Stevens Limited
 ABN 91 141 447 207
 AFSL 351576

Custodian Mason Stevens Limited

Sub-custodian Citibank N.A. New York
 Citigroup Pty Limited

Office

Suite 10.02
 Level 10
 Corporate Centre One
 2 Corporate Court
 Bundall Qld 4217
 07 5551 0299
info@swellasset.com.au

Investment partners



Signatory



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