Swell Global Portfolio

Monthly portfolio update | May 2026

Portfolio performance

1 month	5.82%
1 year	(2.03%)
3 years	12.19%
5 years	3.06%
7 years	7.96%
10 years	10.46%
Inception	194.94%
Inception (pa)	10.42%

Target return: 9% p.a. over rolling three-year periods.

Manager's comment

During the month, we continued to rebalance the portfolio by reducing our investment in SK Hynix and increasing our positions in Accenture, Figma, Intuit, ResMed and Visa. While we remain positive on the long-term outlook for memory, the strong share price performance of SK Hynix provided an opportunity to trim our position and redeploy capital into businesses where we believe the prospective long-term return is more attractive relative to the risk. Our investment process is centred on continuously comparing opportunities across the portfolio rather than becoming anchored to past winners. Where we identify a wider gap between market price and intrinsic value, we will actively reallocate capital to maximise the portfolio's long-term compounding potential.

Top 5 holdings

Amazon	12.8%
Microsoft	10.9%
Figma	9.5%
Uber	6.1%
Visa	5.7%

Snapshot

No. of companies	17
Top 10 holdings	68%
Cash weight	6.7 %
Avg market cap.	US$825B

Monthly attribution

Contributors	Figma, Microsoft, SK Hynix
Detractors	Intuit, Resmed, ICE

Why we own the businesses we own

Network effects

At Swell, we seek to invest in businesses whose value increases as more people use them. This characteristic, known as a **network effect**, creates one of the most durable competitive advantages because it becomes increasingly difficult for competitors to replicate.

Visa is an excellent example. More than 4.8 billion Visa cards are accepted at over 150 million merchant locations worldwide. Every new cardholder makes the network more valuable to merchants, while every new merchant makes the network more valuable to cardholders. This self-reinforcing cycle has been built over decades and creates an enormous barrier to entry. Replicating Visa's global acceptance network would require millions of merchants, billions of cardholders and the trust of financial institutions around the world — an undertaking that would be extraordinarily difficult, regardless of financial resources.

Businesses with strong network effects often become more valuable as they grow, allowing them to strengthen their competitive position while generating attractive returns for shareholders over many years.

Investment Insight: The best businesses become stronger as more customers use them.

Portfolio profile

- 17 global businesses with durable competitive advantages
- Top 10 holdings represent 68% of the portfolio
- Management teams with demonstrated capital allocation discipline
- Majority of revenue generated outside companies' home markets
- Long term holding period measured in years, not months

Portfolio changes

- Increased our investment in Accenture, Figma, Intuit, Resmed, Visa
- Decreased our position in SK Hynix
- Cash increased to 6.7%

Location
Level 1, 3142 Surfers Paradise Bvld
Surfers Paradise QLD 4217
Email: info@swellasset.com.au
Telephone: (07) 5551 0299

Disclaimer

This document has been prepared by Swell Asset Management Pty Ltd (ABN 16 168 141 204) ('Swell, 'we' or 'us') a Corporate Authorised Representative of Hughes Funds Management (ABN 42 167 950 236), who is a holder of an Australian Financial Services Licence (AFSL 460572) and is for general information purposes only and is not an offer or solicitation for the purchase or sale of any financial product or service. The material has been prepared for investors who qualify as wholesale clients under sections 761G of the Corporations Act 2001 (Cth) or to any other person who is not required to be given a regulated disclosure document under the Corporations Act. The material is not intended to provide you with financial or tax advice and does not take into account your objectives, financial situation or needs.

Although we believe the material is correct, no warranty of accuracy, reliability or completeness is given, except for liability under statute which cannot be excluded.

Investments involve risk

Please note that past performance may not be indicative of future performance and that no guarantee of performance, the return of capital or a particular rate of return is given.

This material is proprietary to Swell Asset Management. The recipient of this material agrees not to reproduce or distribute this material in whole or in part and not to disclose any of its contents to any other person.