# Swell Global Portfolio

Monthly portfolio update | June 2026

## Portfolio performance

| | |
|---|---|
| 1 month | (5.05%) |
| 1 year | (9.02%) |
| 3 years | 9.00% |
| 5 years | 0.45% |
| 7 years | 6.46% |
| 10 years | 10.19% |
| Inception | 180.04% |
| Inception (pa) | 9.81% |

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

## Manager's comment

During the month, we exited our investment in SK Hynix and reduced our positions in ASML and TSMC, increasing the portfolio's cash weighting before redeploying capital into several existing holdings. While we remain constructive on the long-term outlook for memory, we believe current valuations increasingly reflect an exceptionally optimistic scenario, with today's elevated margins unlikely to be sustained indefinitely. Conversely, recent weakness across many high-quality software businesses has created attractive opportunities. We do not share the market's view that advances in AI will materially impair the long-term economics of these businesses.

Top 5 holdings

| | |
|---|---|
| Amazon | 12.4% |
| Microsoft | 9.1% |
| Figma | 7.7% |
| Uber | 6.8% |
| Visa | 6.6% |

Snapshot

| | |
|---|---|
| No. of companies | 16 |
| Top 10 holdings | 68% |
| Cash weight | 7.5% |
| Avg market cap. | US$832B |

Monthly attribution

| | |
|---|---|
| Contributors | ASML, TSMC, Visa |
| Detractors | Figma, Accenture, Microsoft |

## Why we own the businesses we own

Pricing Power

At Swell, we seek to invest in businesses that can increase prices without materially reducing customer demand. Pricing power is one of the clearest indicators of a durable competitive advantage because it allows companies to grow earnings over time while protecting profitability during periods of inflation.

Microsoft is an excellent example. Microsoft 365 combines products such as Outlook, Word, Excel, Teams and OneDrive into a single subscription that has become deeply embedded in the daily operations of millions of businesses. For most organisations, replacing this ecosystem would be both costly and highly disruptive, while recreating a comparable suite of products internally would cost many multiples of the subscription price. As a result, modest price increases represent only a fraction of the value customers receive, allowing Microsoft to steadily grow revenue without materially affecting demand.

Businesses with durable pricing power are better positioned to compound shareholder returns over the long term because they capture a greater share of the value they create.

*Investment Insight: We would rather own the businesses setting prices than the businesses paying them.*

Portfolio profile

- 16 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, Adyen, Figma, GE Heatlhcare, Intercontinental Exchange, Intuit,
- Decreased our position in ASML, TSMC
- Divested our investment in SK Hynix
- Cash increased to 7.5%

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