

ASX:SWTZ

Fund Update: 28 February 2022

Key Fund Details

SWTZ Distribution Yield (net) ¹ 3.63%	Net Asset Value A\$2.5821	Fund Name Switzer Dividend Growth Fund (Quoted Managed Fund)	Blackmore Capital
		Investment Manager ² Responsible Entity	Switzer Asset Management Limited
		Inception Date	27 February 2017
		Stock Universe	ASX 300
		Number of Stocks	30 - 50
		Benchmark	ASX 200 Accumulation Index
SWTZ Distribution Yield (gross) ¹ 5.14%		Target/Max Cash Position	1% / 20%
		Distribution Frequency	Monthly
		Management Fee ³	0.89% p.a.
		Performance Fee	n/a

Notes: 1. Yield calculation based on distributions attributable to the 12 months to the date of this report relative to SWTZ's closing unit price of at the beginning of the period. 2. Appointed on 21 April 2021. 3. Fees are inclusive of GST and less RITC.

Why Invest

The Switzer Dividend Growth Fund (**SWTZ** or the **Fund**) is an income-focused exchange traded managed fund with a mix of yield and quality companies. The objective of the Fund is to generate an above-market yield while maximising franking where possible and deliver capital growth over the long term.

- **Investment expertise**
- **Tax-effective income**
- **Quarterly distributions**
- **ASX trading**

Performance¹

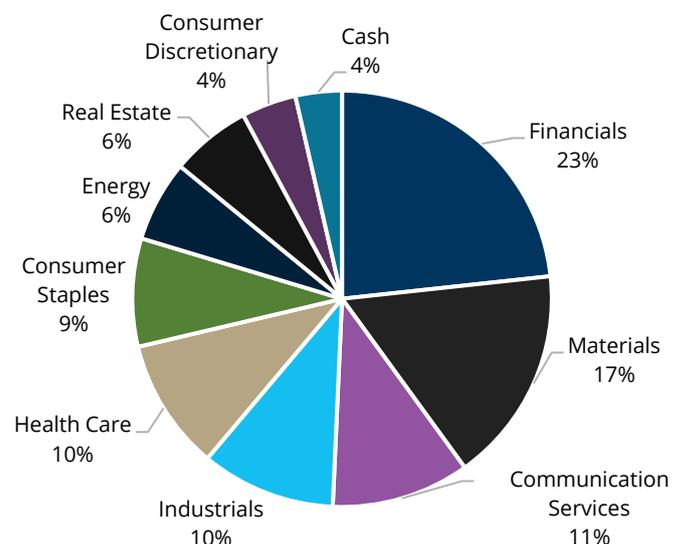
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Inception ²
Portfolio	1.44%	-1.41%	-3.87%	10.42%	5.69%	5.48%	5.34%
Benchmark ³	2.14%	-1.72%	-4.15%	10.19%	8.43%	8.48%	8.14%

Notes: 1. Portfolio performance is calculated based on net asset value per unit, which is after management fees and expenses and assumes that all distributions are reinvested in the Fund. Periods greater than 1 year are annualised. 2. Inception date is 27 February 2017. 3. Benchmark is the ASX 200 Accumulation Index.

Top 10 Portfolio Holdings

Company	Weight %
BHP Group	9.88
Commonwealth Bank of Australia	7.04
Telstra Corporation	5.63
Westpac Banking Corporation	5.47
Spark New Zealand	5.03
Woolworths Group	4.79
Cleanaway Waste Management	4.56
Wesfarmers	4.22
Macquarie Group	4.08
Amcor	4.08
Total	54.78

Sector Allocation



For More Information

Please visit our website at: www.contango.com.au/funds/swtz

If you have any questions, please contact our distribution team on 1300 001 750 or invest@contango.com.au.

ASX:SWTZ

Fund Update: 28 February 2022

Value of A\$10K Invested



Source: Switzer Asset Management Limited. Calculations are based on the NAV prices with distributions reinvested, after ongoing fees and expenses but excluding tax and entry fees (if applicable).

Portfolio Update

The portfolio delivered a return of 1.44% in February 2022, compared with the Benchmark return of 2.14%. The rapid escalation in geopolitical risks has triggered a sharp rise in volatility for global equity markets. The Energy, Materials and Banking sectors were the strongest during the month, while the Healthcare, Technology and Telecommunications sectors were negative over the month. Notably, value stocks continued to outperform growth stocks as investors remained focused on the persistence of inflationary pressures and the prospect of tighter financial conditions. Despite the challenging environment, the February 2022 reporting season delivered largely positive results. Overall, there were net earnings upgrades to ASX 200 profits of 0.9% or \$1.3bn, the second strongest result since the Global Financial Crisis.

The key themes of the February 2022 reporting period were:

- The ASX 200 delivered a solid reporting scorecard.** Earnings momentum continued to deliver earnings per share upgrades above the long-term average. Net earnings upgrades of 0.9% equate to total ASX 200 profits for FY22 in the vicinity of \$141bn.
- Earnings momentum favoured cyclical and value stocks.** The uplift in earnings was largest across the Banking, Energy and Material sectors, whereas the high price/earnings sectors of Healthcare and Technology broadly disappointed.
- Cost pressures.** Strong revenue growth was offset by persistent cost pressures resulting in modest compression of EBITDA (earnings before interest, taxes, depreciation and amortisation) margins, with industrial companies most affected.
- Capital allocation discipline.** Despite buoyant revenue growth, investment spending intentions remain modest. Firms continue to favour buy-backs and mergers and acquisitions. Capital returns were the second highest in the past decade.
- Balance sheets remain conservatively geared.** The current Net Debt/EBITDA ratio for ASX 200 companies of ~1.2x is close to 20-year lows, with rising interest rates not yet translating to higher interest costs.
- Tight supply constraints for commodities.** The disruption from the potential ban of Russian exports across the key commodities (energy, grains, metals) when global inventories remain extremely tight has further added to the risk of higher prices.

Currently, there are many sources of risk facing investors. The tragic events unfolding in Ukraine have introduced further unknowable challenges and risks to the global economy. Nevertheless, Australia's distance to the epicentre of Europe and its abundance of natural resources in agriculture, energy and minerals provide a solid footing for the continued growth of the economy and corporate earnings. Amid the volatility, SWTZ remains focused on holding quality industry leaders underpinned by strong balance sheets.

DISCLAIMER: Switzer Asset Management Limited (SAML) (ABN 26 123 611 978, AFSL 312247) is a wholly owned subsidiary of Contango Asset Management Limited, a financial services business listed on the ASX (CGA). CGA is an authorised representative of ST Funds Management Limited (AFSL 416778) to provide general financial product advice. SAML is the Responsible Entity and Blackmore Capital Pty Limited is the investment manager of Switzer Dividend Growth Fund (Quoted Managed Fund) (ARSN 614 066 849) (the **Fund**). This material has been prepared for general information purposes only. It does not contain investment recommendations nor provide investment advice. It does not take into account the objectives, financial situation or needs of any particular individual. Investors should, before acting on this material, consider the appropriateness of the material. Neither SAML, CGA, their related bodies corporate, entities, directors or officers guarantees the performance of, or the timing or amount of repayment of capital or income invested in the Fund or that the Fund will achieve its investment objectives. Past performance is not indicative of future performance. Any economic or market forecasts are not guaranteed. Any references to particular securities or sectors are for illustrative purposes only and are as at the date of publication of this material. This is not a recommendation in relation to any named securities or sectors and no warranty or guarantee is provided that the positions will remain within the portfolio of the Fund. Investors should seek professional investment, financial or other advice to assist the investor determine the individual tolerance to risk and needs to attain a particular return on investment. In no way should the investor rely on information contained in this material. Investors should read the Fund's Product Disclosure Statement (PDS) and consider any relevant offer document in full before making a decision to invest in the Fund. Relevant information relating to the Fund can be obtained by visiting www.switzerassetmanagement.com.au.