

ASX:SWTZ

Fund Update: 31 March 2022

Key Fund Details

SWTZ Distribution Yield (net) ¹ 3.74%	Net Asset Value A\$2.7168	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
		Target/Max Cash Position	1% / 20%
		Distribution Frequency	Monthly
		Management Fee ³	0.89% p.a.
		Performance Fee	n/a
SWTZ Distribution Yield (gross) ¹ 5.29%			

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 Reduced Input Tax Credit.

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

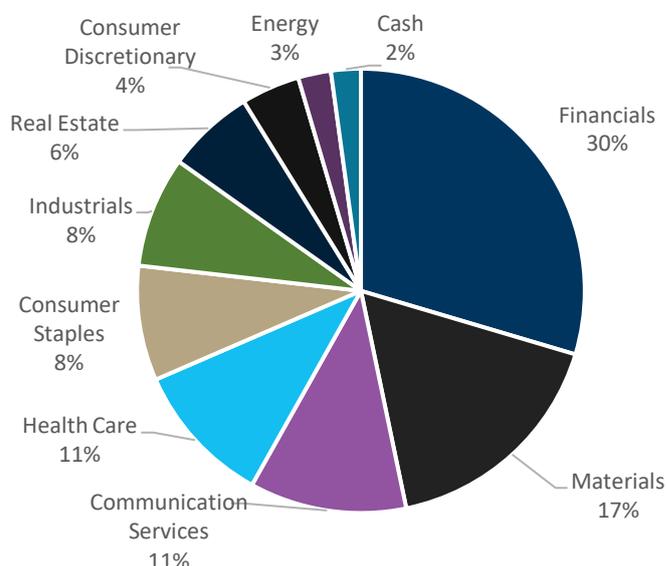
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Inception ²
Portfolio	5.45%	1.30%	1.77%	12.56%	7.56%	5.97%	6.35%
Benchmark ³	6.89%	2.24%	4.38%	14.97%	10.59%	9.22%	9.42%

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 Ltd	10.16
Commonwealth Bank of Australia	7.61
Westpac Banking Corp	5.81
Spark New Zealand Ltd	5.80
Telstra Corp Ltd	5.55
Cleanaway Waste Management L	4.86
Woolworths Group Ltd	4.83
Macquarie Group Ltd	4.40
Medibank Private Ltd	4.29
Wesfarmers Ltd	4.24
Total	61.71

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.

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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 5.45% in March 2022.

Australian equities have outperformed the rest of world for the second month in a row, driven by strong gains in Resources and Banks. The benchmark rose 6.89% in March, with Australia benefiting from its high commodity exposure and an improved outlook for bank margins.

On face value it seems counter-intuitive that equity prices have rebounded so strongly given an increasingly challenging backdrop of the Ukraine war, rising inflation and central banks tightening monetary policy. Nevertheless, the buoyancy in equities may be explained by several factors.

1. First, despite the prospect of central banks raising interest rates, rates remain negative in real terms as inflation remains stubbornly high. Equities can provide investors some protection against rising inflation.
2. Second, Australian equities continue to deliver strong earnings momentum relative to other global equity markets. Earnings revisions remain positive and the ASX 200 is expected to deliver EPS growth of ~10%+ for FY22.
3. Third, the ASX 200 dividend yield is ~4.1% ranking equal highest in the developed world. Australia's dividend yield has been bolstered by high commodity prices, with BHP expected to pay more dividends than the big 4 banks in the 12 months to June 2022. The ASX 200 dividend yield is supported by a high payout ratio, with Australian corporates paying two-thirds of their earnings in dividends. Balance sheets within the ASX 200 remain strong, with Net Debt to EBITDA near two-decade lows.

For March, the strongest gains in the portfolio were BHP Group, Commonwealth Bank, National Australia Bank and Macquarie Group. Ampol (divested in March), Brambles and Spark NZ weighed on attribution.

While the rebound in equity prices has been impressive, Blackmore remains cognisant that the challenges of the war in Ukraine, ongoing supply chain disruptions, persistent inflation and rising interest rates should temper investor enthusiasm for the rally in risk assets to continue unabated. Indeed, the recent inversion of the US yield curve has prompted concerns about recession risk for the global economy.

At a portfolio level, the Fund is diversified across the major banks, commodities, consumer staples, healthcare, and telecommunications sectors. Within these sectors Blackmore favours exposure to the industry leaders such as BHP Group, Cleanaway Waste Management, CSL and Woolworths Group that have historically delivered more dependable earnings and dividends and remain well anchored with conservative balance sheets.

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