

ASX:SWTZ

Fund Update: 30 June 2022

## Key Fund Details

SWTZ Distribution Yield (net) <sup>1</sup> <b>3.37%</b>	Net Asset Value <b>A\$2.4940</b>	Fund Name Switzer Dividend Growth Fund (Quoted Managed Fund)	Investment Manager <sup>2</sup> Blackmore Capital Pty Ltd
		Responsible Entity Associate Global Partners Limited	Inception Date 23 February 2017
		Stock Universe ASX 300	Number of Stocks 30 - 50
SWTZ Distribution Yield (gross) <sup>1</sup> <b>4.77%</b>		Benchmark ASX 200 Accumulation Index	Target/Max Cash Position 1% / 20%
		Distribution Frequency Monthly	Management Fee <sup>3</sup> 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 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
- Monthly distributions
- ASX trading

## Performance<sup>1</sup>

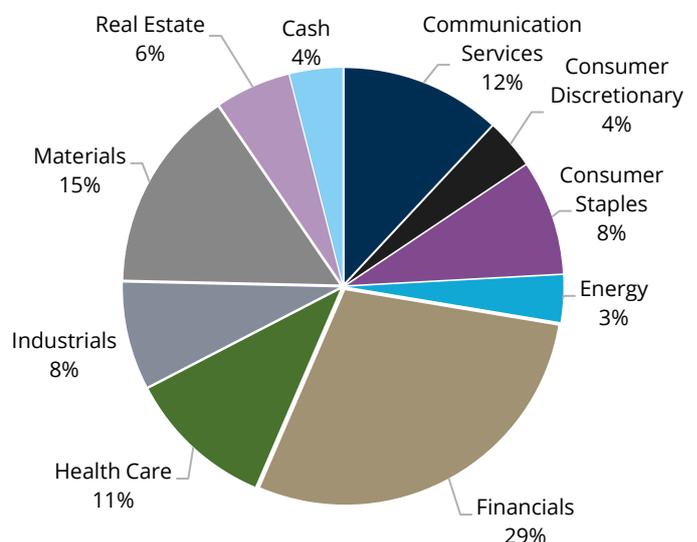
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Inception <sup>2</sup>
Portfolio	-6.97%	-7.57%	-6.37%	-3.20%	2.73%	4.79%	4.49%
Benchmark <sup>3</sup>	-8.77%	-11.90%	-9.93%	-6.47%	3.34%	6.83%	6.41%

**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 23 February 2017. Blackmore Capital Pty Ltd was appointed Investment Manager of the Fund on 21 April 2021. 3. Benchmark is the ASX 200 Accumulation Index.

## Top 10 Portfolio Holdings

Company	Weight %
BHP Group	8.12
Commonwealth Bank of Australia	6.78
Spark New Zealand	6.27
Telstra Corporation	5.62
Amcor	5.16
Westpac Banking Corporation	4.88
Medibank Private	4.82
Woolworths Group	4.81
National Australia Bank	4.57
Cleanaway Waste Management	4.15
<b>Total</b>	<b>55.18</b>

## Sector Allocation



## For More Information

Please visit our website at: [www.associateglobal.com/funds/swtz/](http://www.associateglobal.com/funds/swtz/)

If you have any questions, please contact our distribution team on 1300 052 054 or [invest@associateglobal.com](mailto:invest@associateglobal.com).

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## Value of A\$10K Invested



**Source:** Associate Global Partners 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 -6.97% in June 2022 against a decline in the ASX 200 Accumulation Index benchmark of -8.77%. The Australian equity market continued the sell-off in June with the ASX 200 falling close to 9% in the month and finishing the fiscal year down 6.5%. The broad falls in June flowed through to most sectors of the ASX 200 with only Consumer Staples enjoying positive returns, while Materials, Financials, and Information Technology led the biggest underperformance.

Over the course of the COVID-19 pandemic, central banks spent considerable time reassuring investors what might lie ahead for both interest rates and inflation. Unfortunately, the glide path back to a 'goldilocks' economy assumed that inflation would be transitory in nature. In the end, inflation has prevailed. Now the unfortunate combination of errant inflation and an unwelcomed slowing of economic growth is the central challenge. Investors are not currently focused on what the shape of the recovery will be, rather whether the forthcoming downturn will be soft, hard, or finely balanced. What is evident is that foretelling the outcome is not possible. Our working assumption is that heightened vigilance is warranted, with a portfolio layered with a combination of industry leaders that have exhibited greater resilience through economic cycles. In times of heightened uncertainty, leaders in vital industries provides a safer harbour, and can enhance their competitive advantage in times of economic duress. The hallmarks of durable earnings and conservatively financed balance sheets remains the course of the day.

While there may be further adverse factors to navigate, there has been a silver lining with the reopening of international borders which has allowed the Fund to visit companies and industry participants face-to-face in the jurisdictions in which they operate. Many of the companies on the ASX 200 in which the Fund invests have significant operations abroad and firsthand interactions in their local markets have provided invaluable insights. We recently returned from meetings in the UK and Europe across Banking, Healthcare, Logistics and Mining sectors. Our key observations were:

- **Brambles (BXB)** – Pricing & surcharge mechanisms in contracts have been effective tools in passing through cost inflation. Demand & pallet scarcity is providing pricing power for BXB. Longer inventory cycles remain an ongoing risk as companies are holding onto pallets longer, which has led to pallet shortages.
- **CSL & Healthcare** – After two years of supply disruption, there has been a recovery in the supply of plasma, an important step in meeting the structural demand for plasma therapies globally. Higher collections are helping to improve unit economics with meaningful margin uplift expected in FY23. The private healthcare market is coming back strongly in the UK as the backlog for general practitioners & the National Health Service are at near record levels.
- **Mining** – Across the mining industry, the difficulties in bringing on new supply in either brownfield or greenfield developments should not be underestimated. Scarcity of supply and underinvestment will a key challenge for decarbonisation. The mining industry remains disciplined on capex, debt and focused on shareholder returns.

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