

ASX:SWTZ

Fund Update: 31 August 2022

Key Fund Details

SWTZ Distribution Yield (net) ¹ 5.75%	Benchmark Dividend Yield (net) ² 4.64%	Fund Name Switzer Dividend Growth Fund (Quoted Managed Fund)
		Investment Manager ³ Blackmore Capital Pty Ltd
		Responsible Entity Associate Global Partners Limited
		Inception Date 23 February 2017
		Stock Universe ASX 300
		Number of Stocks 30 - 50
		Benchmark ASX 200 Accumulation Index
SWTZ Distribution Yield (gross) ¹ 7.65%	Net Asset Value A\$2.5670	Target/Max Cash Position 1% / 20%
		Distribution Frequency Monthly
		Management Fee ⁴ 0.89% p.a.
		Performance Fee n/a

Notes: 1. SWTZ Distribution Yield is based on distributions attributable to the 12 months to the date of this report, relative to the closing unit price at the beginning of the period. 'Net' takes no account of the benefits of franking credits received on the Fund's dividend income. 'Gross' takes into account the benefits of franking credits received on the Fund's dividend income. 2. Source: Bloomberg. 3. Appointed on 21 April 2021. 4. Fees are inclusive of GST and less Reduced Input Tax Credits.

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.

Performance¹

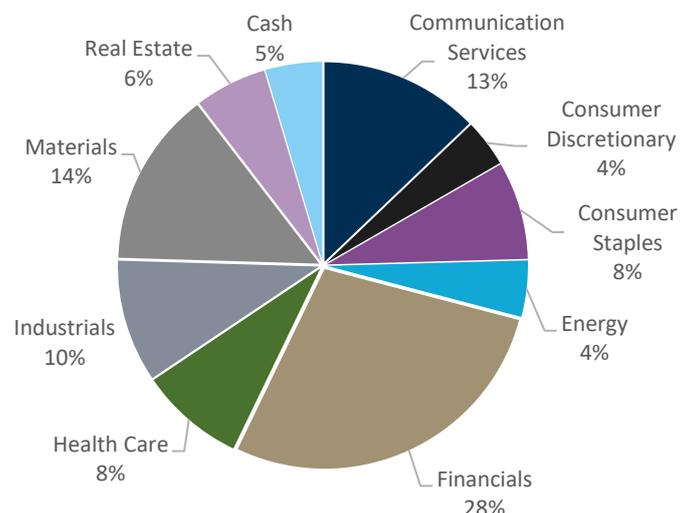
	1 Month	3 Months	6 Months	1 Year	Strategy Inception ²	5 Years	Fund Inception ³
Portfolio	1.40%	-1.31%	3.39%	-0.62%	6.43%	6.00%	5.47%
Benchmark ⁴	1.18%	-2.39%	0.75%	-3.43%	3.76%	8.13%	7.52%
Value Added ⁵	0.22%	1.08%	2.64%	2.81%	2.67%	-	-

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. Blackmore Capital Pty Ltd was appointed Investment Manager of the Fund on 21 April 2021. 3. Inception date is 23 February 2017. 4. Benchmark is the ASX 200 Accumulation Index. 5. Value added since Blackmore Capital Pty Ltd was appointed.

Top 10 Portfolio Holdings

Company	Weight %
BHP Group	7.43
Spark New Zealand	6.51
Telstra Corporation	6.31
Medibank Private	5.12
Westpac Banking Corporation	5.03
Commonwealth Bank of Australia	4.78
National Australia Bank	4.74
Amcor	4.74
Macquarie Group	4.64
Woolworths Group	4.54
Total	53.84

Sector Allocation



For More Information

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

If you have any questions, please contact our distribution team on 1300 052 054 or 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 1.40% in August 2022 compared with the S&P/ASX 200 Accumulation Index benchmark return of 1.18%.

The rise in Australian stocks was driven by Energy (+7.8%) despite the oil price falling >10% over the month. For the portfolio, gains were led by Santos and Woodside, with both businesses reporting strong underlying earnings and cash flow generation throughout the first half of 2022. The portfolio was also boosted by Spark NZ which delivered a solid FY2022 result and raised its guidance for FY2023 EBITDA and dividends. Spark also announced its intention to return up to NZ\$350m to shareholders via an on-market buyback following the sell down of its mobile towers business.

Overall, the ASX 200 delivered earnings growth broadly in-line with analyst expectations. While June half results continued to highlight a resilient Australian economy, earnings will face the headwinds of higher inflation and rising interest rates in FY2023.

After an exceptionally strong environment for earnings in FY2021 & FY2022, there are three major headwinds that could materially weigh on global economies and equity markets for the remainder of the year:

First, China's zero-Covid policy and property deleveraging has reduced industrial activity and has materially impacted metals demand. A lack of new property starts and a slowdown in industrial activity have resulted in lower steel and base metals demand. China continues to be a critical economy for the demand of both energy and metals.

Second, the European energy crisis is set to worsen as Russia has indefinitely suspended natural gas flows through the Nord Stream 1 pipeline. The situation for Europe is dire, with unprecedented rises in power and gas prices magnifying problems for consumer and industrial activity.

And **third**, the key takeaway from last week's Jackson Hole speech is that the US Federal Reserve remains committed to bringing down inflation requiring a more protracted interest rate hiking cycle. US Federal Reserve chair Jerome Powell commented that "restoring price stability will require maintaining a restrictive policy stance for some time."

We are clearly cautious given the highly volatile economic environment through which companies need to navigate. Yet, Australian companies have done remarkably well given the immense disruptions they have faced since the start of the pandemic. Encouragingly, both corporate and household balance sheets remain sound, supported by an historically strong labour market. Nevertheless, heightened prudence is warranted with an emphasis on the quality of earnings and balance sheets able to withstand the uncertainty.

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