

ASX:SWTZ

Fund Update: 30 November 2022

## Key Fund Details

SWTZ Distribution Yield (net) <sup>1</sup> <b>5.77%</b>	Benchmark Dividend Yield (net) <sup>2</sup> <b>4.47%</b>	Fund Name Switzer Dividend Growth Fund (Quoted Managed Fund)
		Investment Manager <sup>3</sup> Blackmore Capital Pty Ltd
		Responsible Entity AGP Investment Management Limited
		Fund Inception Date 23 February 2017
		Stock Universe ASX 300
		Number of Stocks 30 - 50
		Benchmark ASX 200 Accumulation Index
SWTZ Distribution Yield (gross) <sup>1</sup> <b>7.65%</b>	Net Asset Value <b>A\$2.5993</b>	Target/Max Cash Position 1% / 20%
		Distribution Frequency Monthly
		Management Fee <sup>4</sup> 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.

## Performance<sup>1</sup>

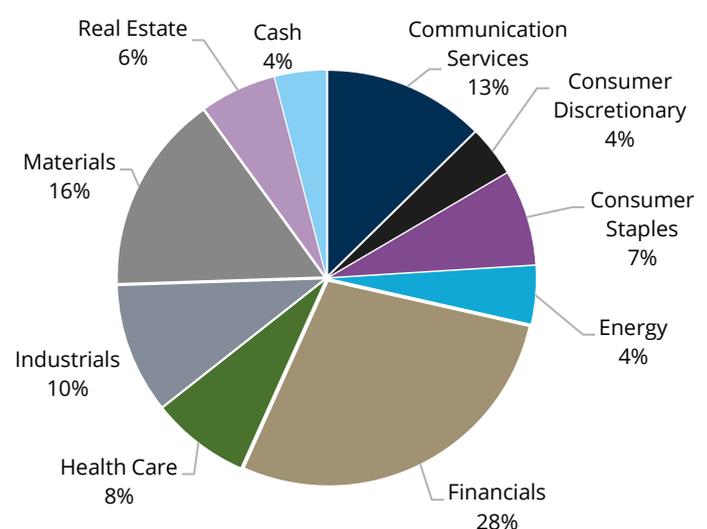
	1 Month	3 Months	6 Months	1 Year	Strategy Inception <sup>2</sup>	5 Years	Fund Inception <sup>3</sup>
Portfolio	4.65%	2.24%	0.90%	4.21%	6.86%	5.32%	5.64%
Benchmark <sup>4</sup>	6.58%	6.04%	3.51%	5.00%	7.00%	8.20%	8.28%
Value Added <sup>5</sup>	-1.93%	-3.80%	-2.61%	-0.79%	-0.14%	-	-

**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. 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	8.23
Spark New Zealand	6.35
Telstra Corporation	6.25
Westpac Banking Corporation	5.46
Commonwealth Bank of Australia	5.22
National Australia Bank	4.83
Ancor	4.72
Macquarie Group	4.62
Woolworths Group	4.28
Cleanaway Waste Management	4.17
<b>Total</b>	<b>54.13</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 4.65% in November 2022 compared with the S&P/ASX 200 Accumulation Index benchmark return of 6.58%. The ASX 200 rose +6.6% in November, extending its rally to ~+14% from its market low in October. Strong gains were led by Utilities (due to a takeover offer for Origin Energy) and the Mining sector which benefited from renewed optimism of a China re-opening. Overall, equity markets were supported by better-than-expected inflation data suggesting that central banks could slow the pace of interest rate rises. At a portfolio level, BHP Group, Northern Star and Ramsay Health Care were the best performing stocks. Whereas, Santos, Healius, and Waypoint REIT underperformed. The Fund actively engaged with several companies in the portfolio during November. These recent discussions yielded the following insights:

- **Amcors (AMC)**
  - Q1 volumes were impacted from de-stocking and more cautious consumers, particularly across beverages, premium coffee capsules and pet food. Healthcare was the exception, delivering double digit growth as activity levels in hospitals and demand for pharmaceuticals recovered.
- **CSL (CSL)**
  - Plasma collection is tracking strongly as demand for CSL's Behring plasma therapy products continue to pick up. CSL is currently selling everything it can make in plasma. As such, plasma inventory levels remain low and will need to be rebuilt in 2023.
  - Synergies from the recent acquisition of Vifor (iron deficiency & nephrology) are tracking to schedule.
- **Endeavour Group (EDV)**
  - EDV delivered a better-than-expected 1Q23 result, driven by strength in its hotel business.
  - Consumer demand and preference for premium products remains robust heading into the Christmas period.
  - Whilst EDV is experiencing a strong seasonal boost for Christmas, there is an expectation that sales will normalise into 2023.
- **Healius (HLS)**
  - HLS provided a trading update for the four months to October 2022 which was materially below market expectations with EBITDA margins falling year-on-year from ~38% to ~20%. The unwinding of COVID-19 PCR testing was faster than the unwinding of associated costs (as infrastructure has largely remained in place for future outbreaks).
  - Recovery in base pathology and diagnostics partially offset the decline in PCR volumes.
- **Medibank Private (MPL)**
  - While investigations into the recent cybercrime incident are continuing at an operational and regulatory level, MPL indicated that net impact to policy holders lapsing their cover has been minimal.
- **Ramsay Health Care (RHC)**
  - Medicare data points to a strong recovery in surgery volumes (+8.5% year-on-year).
  - Australian surgical volumes have accelerated in FY23 and in some states returned to pre COVID-19 levels. Recovery in non-surgical and mental health patients has been slower and remains below pre COVID-19 levels.
  - Forward surgical bookings are strong into the New Year.

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