Switzer | Dividend Growth Fund

Powered by BLACKMORE CAPITAL EQUITY INVESTORS

ASX:SWTZ

Fund Update: 30 November 2023

Key Fund Details

SWTZ Distribution Yield (net)[1]
3.78%

Benchmark Dividend Yield (net)[2]
4.25%

SWTZ Distribution Yield (gross)[1]
5.18%

Net Asset Value
A$2.4783

Fund Name	Switzer Dividend Growth Fund (Quoted Managed Fund)
Investment Manager[3]	Blackmore Capital Pty Ltd
Responsible Entity	AGP Investment Management Limited
Fund Inception Date	23 February 2017
Stock Universe	ASX 300
Number of Stocks	20 - 50
Benchmark	ASX 200 Accumulation Index
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.

Performance[1]

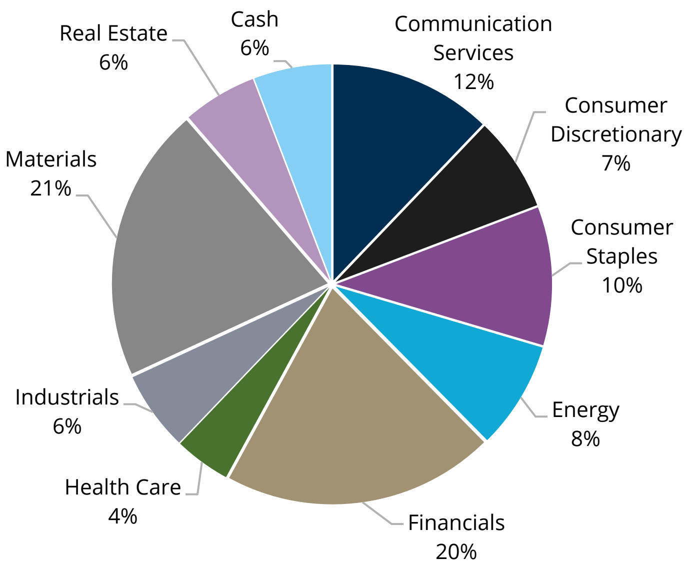
	1 Month	3 Months	6 Months	1 Year	Strategy Inception[2]	5 Years	Fund Inception[3]
Portfolio	2.92%	-2.21%	-0.03%	-1.02%	3.77%	5.81%	4.63%
Benchmark[4]	5.03%	-1.80%	2.05%	1.45%	4.84%	8.72%	7.24%
Value Added[5]	-2.11%	-0.41%	-2.08%	-2.47%	-1.07%	-	-

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 S&P/ASX 200 Accumulation Index. 5. Value added since Blackmore Capital Pty Ltd was appointed.

Top 10 Portfolio Holdings

Company	Weight %
BHP Group	8.82
National Australia Bank	7.50
Spark New Zealand	6.25
Telstra Corporation	5.89
Commonwealth Bank of Australia	4.98
Woodside Energy Group	4.86
Metcash	4.64
Macquarie Group	4.29
Woolworths Group	4.25
Wesfarmers	4.14
Total	**55.62**

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

Switzer | Dividend Growth Fund

Powered by BLACKMORE CAPITAL EQUITY INVESTORS

ASX:SWTZ

Fund Update: 30 November 2023

Value of A$10K Invested

Source: AGP Investment Management Limited. Calculations are based on the Net Asset Value 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 2.92% during the month, compare with the S&P/ASX 200 Accumulation Index benchmark return of 5.03%. Global equities rallied in November buoyed by evidence that global inflation was finally moderating to a level that would allow the US Federal Reserve to consider not only stopping further interest rate rises, but ultimately looking to cut rates in 2024.

The prospect that central banks have successfully tamed inflation without triggering a recession provided renewed optimism for risk assets. After months of rallying and subsequently peaking at nearly 5% in October, bond yields took a turn and fell to around 4.5% by the end of November, to the relief of equities markets. Undoubtedly, the combination of decelerating inflation and an economy that continues to show a level of resilience has provided a strong foundation for stock market valuations to rebound. With this backdrop, the ASX 200 rose 5% in November - its largest monthly gain since January 2023.

At a portfolio level, Health Care (+11.8%) and Real Estate (+10.8%) were the strongest performing sectors, while Energy (-7.3%) and Utilities (-6.0%) were the worst performing sectors. Specifically, CSL, Goodman Group and Cleanaway Waste Management were notable strong performers. Whereas Santos, Woodside Energy Group and Treasury Wine Estates weighed on performance. The underperformance for the month can be attributed to the Fund's underweight position in the strongly performing Health Care sector coupled with an overweight position in the struggling Energy sector, impacting overall portfolio returns negatively versus the S&P/ASX 200 Accumulation Index.

In November the Fund increased its exposure to commodities that are essential to the global energy transition. We initiated a position in Pilbara Minerals, which is the largest hard-rock lithium mine in Australia and contributes 8% of global lithium supply. While the lithium market has endured a bear market in 2023 with prices falling ~75% on softening demand and growing global lithium supply, the medium-term fundamentals remain attractive supported by extensive government legislation on CO2 targets.

With the Energy sector falling sharply for two consecutive months, we added to our existing positions in Santos and Woodside Energy Group. Both stocks are trading on attractive dividend yields of +4.5% and a Price to Earnings Ratio below their 5-year averages, at a time when the risks to energy supply either by regulatory and/or geo-political tensions remain elevated.

The immediate risk for inflation and interest rates has eased over the last month, heralding in a level of cautious optimism by equity investors. Nevertheless, the pathway forward will require careful navigation, particularly if inflation remains stubborn ensuring that interest rates stay higher for longer. We are already seeing clear evidence that the higher interest rate environment is progressively weighing on company earnings. Hence, a vigilance on earnings resilience and balance sheet strength continues to be an essential attribute to portfolio construction.