

**ASX:SWTZ**

Fund Update: 31 December 2023

## Key Fund Details

SWTZ Distribution Yield (net) <sup>1</sup> <b>3.75%</b>	Benchmark Dividend Yield (net) <sup>2</sup> <b>3.95%</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 20 - 50
SWTZ Distribution Yield (gross) <sup>1</sup> <b>5.17%</b>	Net Asset Value <b>A\$2.6071</b>	Benchmark ASX 200 Accumulation Index	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>

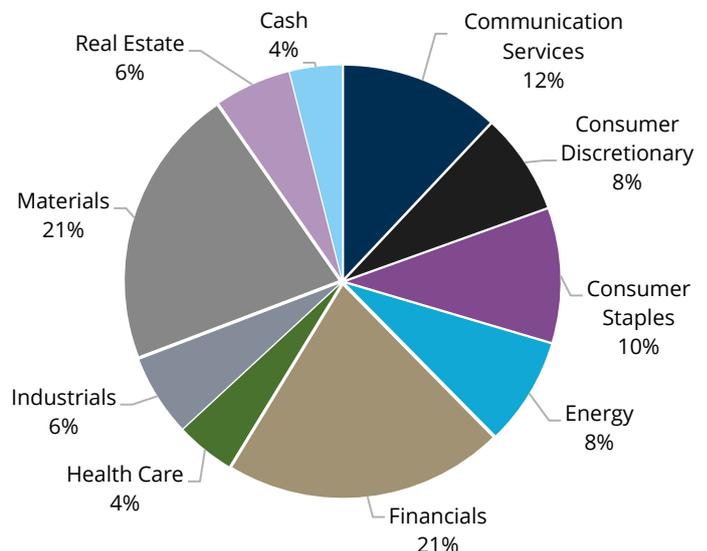
	1 Month	3 Months	6 Months	1 Year	Strategy Inception <sup>2</sup>	5 Years	Fund Inception <sup>3</sup>
Portfolio	5.52%	5.75%	4.36%	6.55%	5.74%	7.33%	5.39%
Benchmark <sup>4</sup>	7.26%	8.40%	7.57%	12.42%	7.44%	10.28%	8.25%
Value Added <sup>5</sup>	-1.74%	-2.65%	-3.21%	-5.87%	-1.70%	-	-

**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	9.27
National Australia Bank	7.83
Spark New Zealand	6.06
Telstra Corporation	5.89
Commonwealth Bank of Australia	5.13
Woodside Energy Group	4.70
Macquarie Group	4.50
Woolworths Group	4.37
Wesfarmers	4.33
Metcash	4.32
<b>Total</b>	<b>56.40</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:** 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 5.52% during the month, compared with the S&P/ASX 200 Accumulation Index return of 7.26%.

The rally observed in November across global equity markets sustained its momentum into December, marking a persistent global upswing which was notably pronounced in Australia. The ASX 200 displayed remarkable strength for the second consecutive month, posting a monthly return of 7.3% in December, set against the backdrop of shifting sentiment as markets anticipate monetary policy easing in the first half of calendar year 2024. The combined November and December return for the ASX 200 essentially accounted for the bulk of the total return for calendar year 2023 of 12.42%. November and December proved to be stellar months for price returns across major equity markets worldwide, with the ASX 200 outperforming other indices.

The US 10-year treasury yield which ended 2023 at 3.8%, experienced a further decline of 48 basis points in December. Similarly, the Australian 10-year bond fell 45 basis points, concluding the year at 3.96%, a notable decrease from its peak of 4.99% on November 1st. Noteworthy performers in Australia during December were the yield-sensitive/growth sectors of Real Estate and Health Care, while the Insurance sector encountered a decline in performance. On a 12-month horizon, Technology and Discretionary were the best performers in 2023. Conversely, the defensive Staples, Utilities, Health and Telecom sectors were the worst performers in 2023, with low single-digit returns. Portfolio performance in December was driven by Financials (+6.21%) as the strongest performing sector, while Consumer Staples (+4.97%) and Energy (+3.42%) were relatively less contributory when compared with a 7.3% return for ASX 200.

A notable stock contributor to the portfolio was our overweight position in Premier Investments (PMV) which delivered strong performance of +9.9% in December. We also benefited from no exposure to the Insurance sector, which was the only sector that posted a negative return for the month. Conversely, the largest detractors on portfolio performance were our overweight positions in Spark New Zealand (+1.2%), Metcash (-1.7%) and Amcor (-0.2%) relative to the ASX 200 Index. Overall, the portfolio is currently more exposed to defensive sectors including Consumer Staples and Communication Services. Our positioning in defensive quality businesses with long term growth and sustainable dividend yields saw a valuation benefit this month, albeit not to the same extent as the ASX 200 which includes exposures to lower-quality, cyclical businesses that have benefited from the strong sentiment expecting monetary easing in FY24. The conclusion of 2023 witnessed a common theme for global equity markets, wherein higher interest rates exerted a negative impact on equity valuations. However, the recent shift in market sentiment offered support for Price-to-Earnings ratios. Investors are embracing the evidence from more stable momentum in moderating inflation trends and subsequently showing increased appetite for risk assets. As we look ahead, we are approaching the February results season with caution, considering the potential for persistent inflation, which may prolong higher interest rates beyond current market expectations.

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