Switzer | Dividend Growth Fund

ASX:SWTZ

Fund Update: 31 March 2025

Key Fund Details

SWTZ Distribution Yield (net)[1]
10.51%

Benchmark Income Return[2]
3.57%

SWTZ Distribution Yield (gross)[1]
11.97%

Net Asset Value
A$2.3474

Fund Name	Switzer Dividend Growth Fund – Active ETF
Investment Manager[3]	Vertium Asset Management Pty Ltd
Responsible Entity	AGP Investment Management Limited
Fund Inception Date	23 February 2017
Stock Universe	ASX 100
Number of Stocks	20 - 50
Benchmark	ASX 100 Accumulation Index
Target/Max Cash Position	0% / 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 net asset value per unit 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. Benchmark is the S&P/ASX 100 Accumulation Index. Prior to 1 April 2024 the benchmark was the S&P/ASX 200 Accumulation Index. 3. Appointed on 28 March 2024. 4. Fees are inclusive of GST and less Reduced Input Tax Credits.

Fund Objective

The Fund aims to provide investors with an income return that exceeds the S&P/ASX 100 Accumulation Index (after fees) over rolling 12-month periods, while also maintaining a lower level of volatility relative to the Index.

Performance[1]

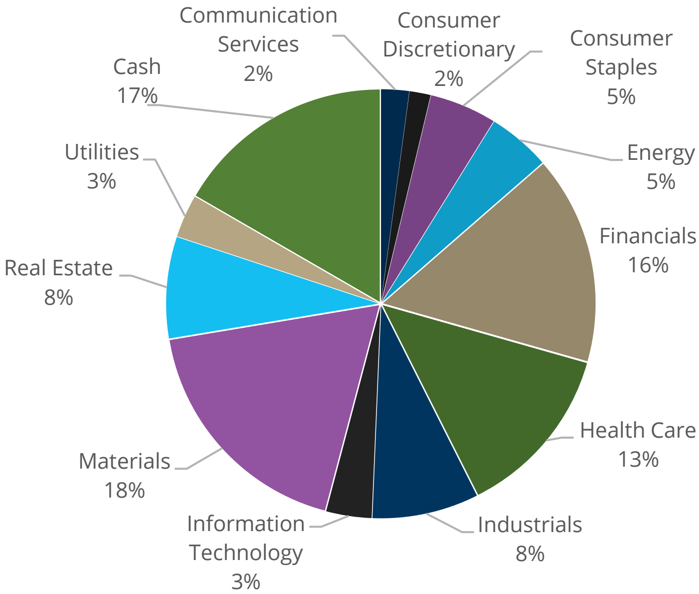
	1 Month	3 Months	Strategy Inception[2]	3 Years	5 Years	Fund Inception[3]
Income[4]	0.37%	1.11%	10.51%	6.13%	6.30%	4.64%
Growth	-3.21%	-3.92%	-13.54%	-4.07%	3.61%	0.10%
Portfolio	**-2.84%**	**-2.81%**	**-3.03%**	**2.06%**	**9.91%**	**4.74%**
Income	0.62%	1.07%	3.57%	4.13%	4.16%	4.22%
Growth	-3.92%	-4.02%	-0.46%	1.58%	9.14%	3.81%
Benchmark[5]	**-3.30%**	**-2.95%**	**3.11%**	**5.71%**	**13.30%**	**8.03%**

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. Vertium Asset Management Pty Ltd was appointed investment manager of the Fund on 28 March 2024. 3. Inception date is 23 February 2017. 4. Income is based on distributions for the period relative to the net asset value at the beginning of the period. Periods greater than 1 year are annualised. 5. Benchmark is the S&P/ASX 100 Accumulation Index. Prior to 1 April 2024 the benchmark was the S&P/ASX 200 Accumulation Index.

Top 10 Portfolio Holdings

Company	Weight %
BHP Group	8.69
CSL	7.80
QBE Insurance Group	5.46
Mirvac Group	4.84
Woodside Energy Group	4.67
Brambles	4.66
Westpac Banking Corporation	3.54
Xero	3.45
ANZ Group Holdings	2.71
Amcor	2.47
Total	**48.29**

Sector Allocation



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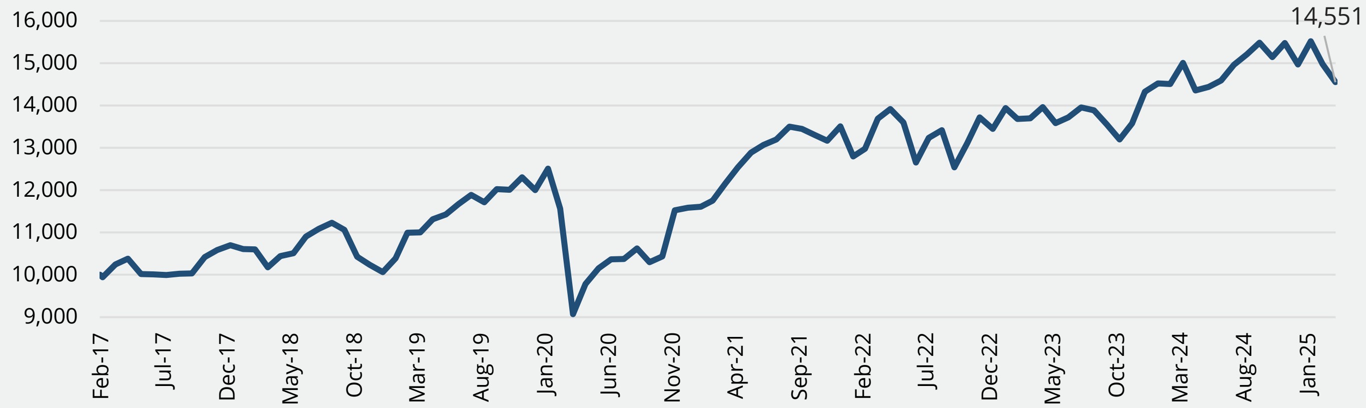
Value of A$10K Invested



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 Fund's portfolio delivered a return of -2.84% during the month, outperforming the benchmark S&P/ASX 100 Accumulation Index (**ASX 100**) return of -3.30%. The ASX 100's decline was driven primarily by sharp falls in the Technology and Consumer Discretionary sectors. However, this was partially offset by gains in the Utilities sector.

In March, QBE Insurance (**QBE**) and Newmont (**NEM**) delivered positive returns for the Fund. Their resilience was due to their subdued market expectations given that their valuation multiples are at near decade lows. Orica (**ORI**) also outperformed following its Investor Day, where it announced a revised financial framework. Having concluded a series of sizable acquisitions in the last couple of years, ORI has entered a consolidation phase, underscored by a $400 million share buy-back. The company has also indicated it is tracking ahead of plan for the first half of 2025, despite some weather-related disruptions.

The Fund's relative outperformance was also due to its lack of exposure to major index heavyweights, including Commonwealth Bank (**CBA**), Macquarie Group (**MQG**) and Wesfarmers (**WES**), which collectively make up about 19% of the benchmark. These stocks fell despite the absence of stock-specific news, contributing to a third of the benchmark's overall negative return. Additionally, Aristocrat (**ALL**) and Pro Medicus (**PME**) – both priced for high expectations – experienced significant drawdowns, further weighing on the index.

Conversely, the Fund's investment in Light and Wonder (**LNW**) detracted from performance. The company provided an update on ongoing litigation with Aristocrat, which has filed a trade secret misappropriation claim relating to the Jewel of the Dragon game (formerly Dragon Train). LNW is proactively removing affected titles — representing less than 1% of its installed base — and has expanded third-party audits to mitigate further risk. The company intends to respond to the U.S. District Court by 11 April, 2025 and has reaffirmed its FY25 profit guidance.

Australia's economy exhibits moderate growth amidst global uncertainties. In the December 2024 quarter, Australia's economy (measured by Gross Domestic Product) grew by 0.6%. The unemployment rate stands at 4.1%, with wages growth moderating to 3.2% year-on-year, and the monthly Consumer Price Index (CPI) aligning with the Reserve Bank of Australia's target at 2.5% year-on-year. However, global trade tensions, particularly US tariffs, pose risks to Australia's open economy. Additionally, the RBA has maintained the cash rate at 4.1%, with expectations of future rate cuts if trade tensions impede growth.

Looking ahead, the market landscape remains susceptible to volatility, with areas of pronounced overvaluation. The Fund continues to avoid these areas and remains focused on undervalued stocks. The Fund is well-positioned to generate attractive income and sustainable long-term returns with lower volatility than the benchmark.