

ASX:SWTZ

Fund Update: 31 May 2022

Key Fund Details

SWTZ Distribution Yield (net) ¹ 3.17%	Net Asset Value A\$ 2.6872	Fund Name Switzer Dividend Growth Fund (Quoted Managed Fund)	Investment Manager ² Blackmore Capital
		Responsible Entity Associate Global Partners Limited	Inception Date 27 February 2017
		Stock Universe ASX 300	Number of Stocks 30 - 50
SWTZ Distribution Yield (gross) ¹ 4.48%		Benchmark ASX 200 Accumulation Index	Target/Max Cash Position 1% / 20%
		Distribution Frequency Monthly	Management Fee ³ 0.89% p.a.
		Performance Fee n/a	

Notes: 1. Yield calculation based on distributions attributable to the 12 months to the date of this report relative to SWTZ's closing unit price of at the beginning of the period. 2. Appointed on 21 April 2021. 3. Fees are inclusive of GST and less Reduced Input Tax Credit.

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.

- **Investment expertise**
- **Tax-effective income**
- **Monthly distributions**
- **ASX trading**

Performance¹

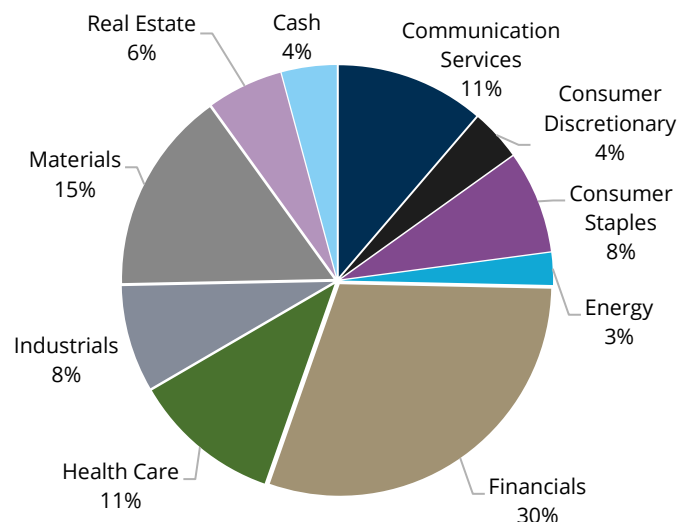
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Inception ²
Portfolio	-2.32%	4.76%	3.28%	5.54%	5.98%	6.29%	6.01%
Benchmark ³	-2.60%	3.21%	1.44%	4.84%	7.85%	8.84%	8.39%

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. Inception date is 27 February 2017. 3. Benchmark is the ASX 200 Accumulation Index.

Top 10 Portfolio Holdings

Company	Weight %
BHP Group	8.20
Commonwealth Bank of Australia	7.31
Spark New Zealand	5.97
Westpac Banking Corporation	5.58
Telstra Corporation	5.29
Amcor	4.90
National Australia Bank	4.87
Cleanaway Waste Management	4.62
Medibank Private	4.46
Woolworths Group	4.38
Total	55.58

Sector Allocation



For More Information

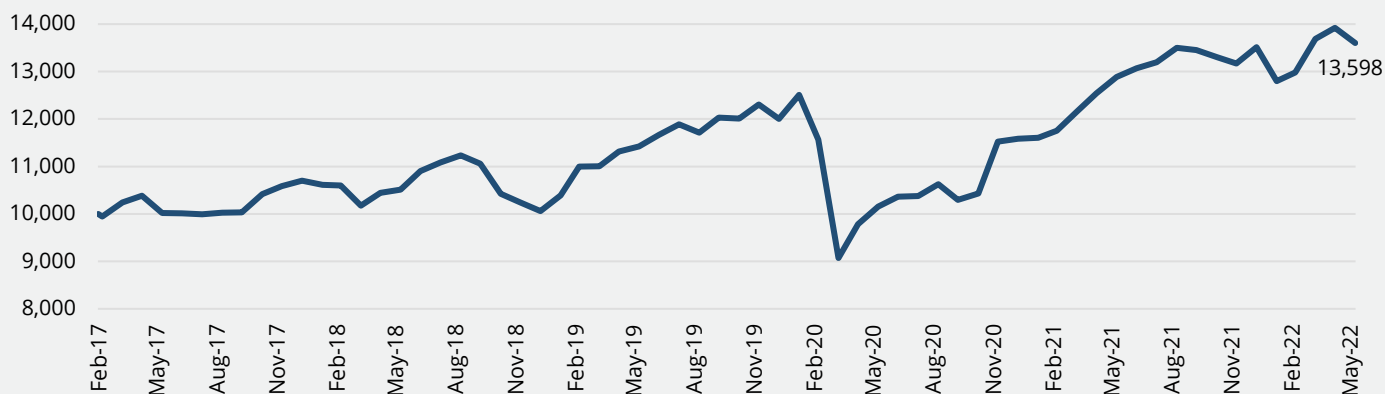
Please visit our website at: www.associateglobal.com/funds/swtz/

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 -2.32% in May 2022.

Higher volatility characterised the month of May, with the ASX 200 down 2.6%. A concerted push by central banks to tighten financial conditions to counter the effects of rising inflation continued to weigh on equities. The prospect of rising interest rates was particularly damaging to the Real Estate and Technology sectors which fell 8.9% and 8.7% respectively. Materials (+0.1%) was the only sector to manage a positive return for the month.

Commodities were a welcome source of diversification in the portfolio as markets grappled with tightening financial conditions and persistent high inflation. BHP Group and Santos provided an important ballast to the portfolio in a turbulent month. A prolonged period of under investment, coupled with ongoing supply chain disruptions as economies reopened, has contributed to the sharp rise in commodity prices.

With a backdrop of rising raw material prices, the portfolio also benefited from exposure to Amcor and Brambles which had contractual pass-through price mechanisms to absorb higher costs.

Nevertheless, the portfolio was impacted by Goodman, Macquarie, News Corp and Woolworths on the back of higher interest rates concerns. Weaker-than-expected earnings results from the US bellwether stocks of Amazon, Target, and Walmart due to higher costs brought on by supply chain disruption and excess inventory, also impacted local markets.

The Health Care sector recovery in volumes lost during the COVID-19 pandemic continues to face headwinds in Australia, as the impact of COVID-19 continues to delay medical testing and elective surgery. Whilst the backlog for patient care is inevitably weighing on health companies' results in the short term, the recovery in earnings should be underpinned by the demand for the treatment of chronic disease, catch-up referrals, and an ageing population. Encouragingly, in the United States, CSL and key industry participants have highlighted that plasma volumes (depressed during the pandemic) are now returning to pre-COVID levels.

We are seeing the first tangible signs that rising interest rates and high input costs are dampening both earnings momentum (with earnings revisions turning negative) and house prices (which are declining for the first time in the cycle). Amid an economic environment characterised by slowing growth, our clear preference is to be invested in companies that offer exposure to Consumer Staples and defensive Industrial sectors. Moreover, in a period of high inflation we continue to hold commodity stocks that are benefiting from elevated prices and offer a hedge against inflation.

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