

**Switzer Dividend Growth Fund**  
**ARSN 614 066 849**

Interim financial report  
for the half-year ended 31 December 2023

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This interim financial report does not include all the notes of the type normally included in a set of annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made in respect of Switzer Dividend Growth Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These financial statements cover Switzer Dividend Growth Fund as an individual entity.

The Responsible Entity of Switzer Dividend Growth Fund is AGP Investment Management Limited (ABN 26 123 611 978). The Responsible Entity's registered office is Level 12, 2 Chifley Square, Sydney NSW 2000.

## Directors' Report

The Directors of AGP Investment Management Limited (ABN 26 123 611 978), the Responsible Entity of Switzer Dividend Growth Fund, present their report together with the interim financial report of Switzer Dividend Growth Fund (the **Fund**) for the half-year ended 31 December 2023.

### Responsible Entity

The Responsible Entity of the Switzer Dividend Growth Fund is AGP Investment Management Limited (ABN 26 123 611 978). The Responsible Entity's registered office is Level 12, 2 Chifley Square, Sydney NSW 2000.

### Directors

The following persons held office as Directors of the Responsible Entity during the financial half-year and up to the date of this report:

<b>Name</b>	<b>Title</b>
James McNally	Chairman and Non-Executive Director
Martin Switzer	Director
Peter Switzer	Non-Executive Director
Tim Keegan	Non-Executive Director (appointed 15 February 2024)

### Review of Operations

#### Results

During the half-year ended 31 December 2023, the Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

For the half-year ended 31 December 2023, the Fund paid total distributions of 4.80 cents per unit. This equates to an annualised net distribution yield of 3.79% and an annualised gross distribution yield of 5.41% inclusive of franking credits. Distribution yield is calculated based on the annualised distributions attributable to the 6 months ended 31 December 2023 relative to the Fund's ex distribution unit price of \$2.5363 as at 30 June 2023. Since inception, on 23 February 2017, the Fund paid an annualised net distribution yield of 4.13% and an annualised gross distribution yield of 5.77% inclusive of franking credits. Distribution yield is calculated based on the annualised distributions since inception relative to the Fund's inception unit price of \$2.5000.

The performance of the Fund, as represented by the results of its operations, was as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Profit before finance costs attributable to unitholders (\$'000)	2,659	4,076
Distributions paid and payable (\$'000)	1,215	1,274
Distributions (cents per unit - CPU)	4.800	4.800

#### Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the reporting period.

## Directors' Report (continued)

### Events occurring after the reporting period

On 27 February 2024, the board of AGP Investment Management Limited (**the Board**) advised a change to the Switzer Dividend Growth Fund (Quoted Managed Fund) (**the Fund**) with the appointment of Vertium Asset Management Pty Ltd (**Vertium**) as investment manager effective 28 March 2024.

Since inception in 2017, the Fund has aimed to deliver on its objective of providing investors with reliable, tax-effective income. In this regard, the Board believes there is an opportunity to improve the performance of the Fund in terms of both income and capital growth through a change in investment manager.

The Board believes this initiative has the potential to enhance long-term portfolio performance and provide significant benefits to all investors. It follows a comprehensive review by the Board of the existing arrangements.

There are two main changes to the investment strategy for the Fund, being:

1. changing the investment benchmark from the S&P/ASX 200 to the S&P/ASX100 index. This will impact some stock weightings within the portfolio; and
2. allowing the investment strategy to use derivatives up to a maximum of 10% of the Fund. This will provide an efficient way for managing market exposure and allowing the Fund to maximise option income for investors.

AGP Investment Management Limited, as Responsible Entity for the Fund, believes this change has the potential to provide significant benefits to investors and enhance the prospects of the Fund continuing to meet its investment objective.

There is no change to the total management fee payable by the Fund. However, investors will now benefit from Vertium's specialised funds management skills.

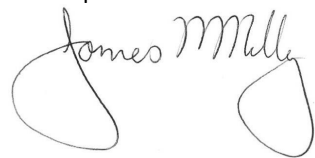
### Rounding of amounts to the nearest thousand dollars

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the interim condensed financial statements have been rounded to the nearest thousand dollars (\$000's).

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under *section 307C of the Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the Directors.



James McNally  
Chairman  
AGP Investment Management Limited

Sydney,

12 March 2024

## **AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF RESPONSIBLE ENTITY OF SWITZER DIVIDEND GROWTH FUND**

As lead auditor, I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

SW

### **SW Audit**

Chartered Accountants



René Muller  
Partner

Sydney, 12 March 2024

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**Interim Condensed Statement of Profit or Loss and Other Comprehensive Income  
for the half-year ended 31 December 2023**

	Notes	31 December 2023 \$'000	31 December 2022 \$'000
<b><i>Investment income</i></b>			
Net gains on financial assets at fair value through profit or loss		1,627	2,900
Dividend/distribution income		1,369	1,528
Interest income		57	22
<b>Total investment income</b>		<b>3,053</b>	<b>4,450</b>
<b><i>Operating expenses</i></b>			
Management fees		286	299
Transaction costs		74	44
Other expenses		34	31
<b>Total operating expenses</b>		<b>394</b>	<b>374</b>
<b>Profit for the half-year before finance costs attributable to unitholders</b>		<b>2,659</b>	<b>4,076</b>
<b><i>Finance costs attributable to unitholders</i></b>			
Distributions to unitholders	3	1,215	1,274
Increase in net assets attributable to unitholders	2	1,444	2,802
<b>Profit/(loss) for the half-year attributable to unitholders</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the half-year attributable to unitholders		-	-
<b>Total comprehensive income for the half-year attributable to unitholders</b>		<b>-</b>	<b>-</b>

The above Interim Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Interim Condensed Statement of Financial Position  
as at 31 December 2023**

	Notes	31 December 2023 \$'000	30 June 2023 \$'000
<b>Assets</b>			
Cash and cash equivalents		2,364	3,999
Receivables	6	312	387
Financial assets at fair value through profit or loss	4	61,491	62,800
<b>Total assets</b>		<b>64,167</b>	<b>67,186</b>
<b>Liabilities</b>			
Distribution payable	3	196	191
Payables	7	236	230
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>432</b>	<b>421</b>
<b>Net assets attributable to unitholders - liability</b>	2	<b>63,735</b>	<b>66,765</b>

The above Interim Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

**Interim Condensed Statement of Changes in Equity  
for the half-year ended 31 December 2023**

In accordance with AASB 132 *Financial Instruments: Presentation*, net assets attributable to unitholders are classified as liability rather than equity. As a result, there was no equity at the beginning and the end of the half-year.

Changes in net assets attributable to unitholders are disclosed in Note 2.



**Interim Condensed Statement of Cash Flows  
for the half-year ended 31 December 2023**

Notes	31 December 2023	31 December 2022
	\$'000	\$'000
<b><i>Cash flows from operating activities</i></b>		
Proceeds from sale of financial assets held at fair value through profit or loss	17,461	15,775
Purchase of financial assets held at fair value through profit or loss	(14,600)	(13,412)
Dividends and distributions received	1,450	1,632
Interest received	57	22
Other expenses paid	(42)	(33)
Management fees paid	(309)	(318)
Reduced input tax credit (RITC) received	13	8
<b>Net cash inflow from operating activities</b>	<b>4,030</b>	<b>3,674</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from applications by unitholders	459	5,140
Payments for redemptions by unitholders	(5,175)	(4,056)
Distributions paid	(952)	(2,204)
<b>Net cash outflow from financing activities</b>	<b>(5,668)</b>	<b>(1,120)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,638)</b>	<b>2,554</b>
Cash and cash equivalents at the beginning of the reporting period	3,999	2,386
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,361</b>	<b>4,940</b>
<b>Non-cash financing activities</b>	<b>264</b>	<b>693</b>

The above Interim Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

### 1. Basis of preparation

This general purpose financial report for the half-year ended 31 December 2023 has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards AASB 134 *Interim Financial Reporting*.

The interim financial report does not include all the notes of the type normally included in a set of annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made in respect of the Fund during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements were authorised for issue by the Directors on 12 March 2024. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period.

#### Compliance with International Financial Reporting Standards

Compliance with AASB 134 ensures that the interim financial report of the Fund, comprising the financial statements and notes thereto, complies with International Accounting Standard IAS 34 *Interim Financial Reporting*.

#### New or amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

#### Rounding of amounts to the nearest thousand dollars

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* the amounts in the Directors' Report and in the interim condensed financial statements have been rounded to the nearest thousand dollars (\$000's).

Notes to the Financial Statements (continued)

2. Net assets attributable to unitholders

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Movements in the number of units and net assets attributable to unitholders during the half-year were as follows:

	31 December 2023		31 December 2022	
	No.'000	\$'000	No.'000	\$'000
Opening balance	26,304	66,765	26,390	63,931
Applications	180	449	2,026	5,178
Redemptions	(2,068)	(5,184)	(1,659)	(4,145)
Units issued upon reinvestment of distributions	105	264	280	693
Increase in net assets attributable to unitholders	-	1,444	-	2,802
<b>Closing balance</b>	<b>24,521</b>	<b>63,738</b>	<b>27,037</b>	<b>68,459</b>

3. Distributions to unitholders

The distributions for the period were as follows:

	31 December 2023	31 December 2023	31 December 2022	31 December 2022
	\$'000	CPU	\$'000	CPU
Distributions paid (31 July)	208	0.800	212	0.800
Distributions paid (31 August)	207	0.800	211	0.800
Distributions paid (30 September)	204	0.800	212	0.800
Distributions paid (31 October)	200	0.800	212	0.800
Distributions paid (30 November)	200	0.800	211	0.800
Distributions payable (31 December)	196	0.800	216	0.800
	<b>1,215</b>	<b>4.800</b>	<b>1,274</b>	<b>4.800</b>

Notes to the Financial Statements (continued)

4. Financial assets at fair value through profit or loss

	31 December 2023	30 June 2023
	\$'000	\$'000
Listed equities	57,842	59,045
Listed unit trusts	3,649	3,755
<b>Total financial assets at fair value through profit or loss</b>	<b>61,491</b>	<b>62,800</b>

5. Fair value of assets and liabilities

*Fair value hierarchy*

The Fund is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market-corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below sets out the Fund's financial assets and liabilities measured at fair value according to the fair value hierarchy at the reporting date:

	31 December 2023			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets held at fair value through profit or loss:</b>				
Listed equities	57,842	-	-	57,842
Listed unit trusts	3,649	-	-	3,649
<b>Total financial assets</b>	<b>61,491</b>	<b>-</b>	<b>-</b>	<b>61,491</b>

Notes to the Financial Statements (continued)

5. Fair value of assets and liabilities (continued)

*Fair value hierarchy (continued)*

	30 June 2023			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets held at fair value through profit or loss:</b>				
Listed equities	59,045	-	-	59,045
Listed unit trusts	3,755		-	3,755
<b>Total financial assets</b>	<b>62,800</b>		-	<b>62,800</b>

6. Receivables

	31 December 2023	30 June 2023
	\$'000	\$'000
Due from brokers - receivable for securities sold	89	90
Dividend/distribution receivable	132	212
Unsettled applications	-	10
Other receivables	11	11
RITC receivable	80	64
<b>Total receivables</b>	<b>312</b>	<b>387</b>

7. Payables

	31 December 2023	30 June 2023
	\$'000	\$'000
Management fees payable	51	53
Unsettled redemptions	89	80
Other fees payable	7	7
Due to brokers – payable for securities purchased	89	90
<b>Total payables</b>	<b>236</b>	<b>230</b>

## Notes to the Financial Statements (continued)

### 8. Segment information

The Fund operates solely in the business of investment in companies listed on the Australian share market. Revenue, profit, net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (**CODM**) for the single identified operating segment are the amounts reflected in the Interim Condensed Statement of Profit or Loss and Other Comprehensive Income, Interim Condensed Statement of Financial Position, Interim Condensed Statement of Changes in Equity and Interim Condensed Statement of Cash Flows. The CODM has been identified as the Responsible Entity.

### 9. Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2023 (30 June 2023: Nil).

### 10. Events occurring after the reporting period

On 27 February 2024, the board of AGP Investment Management Limited (**the Board**) advised a change to the Switzer Dividend Growth Fund (Quoted Managed Fund) (**the Fund**) with the appointment of Vertium Asset Management Pty Ltd (**Vertium**) as investment manager effective 28 March 2024.

Since inception in 2017, the Fund has aimed to deliver on its objective of providing investors with reliable, tax-effective income. In this regard, the Board believes there is an opportunity to improve the performance of the Fund in terms of both income and capital growth through a change in investment manager.

The Board believes this initiative has the potential to enhance long-term portfolio performance and provide significant benefits to all investors. It follows a comprehensive review by the Board of the existing arrangements.

There are two main changes to the investment strategy for the Fund, being:

1. changing the investment benchmark from the S&P/ASX 200 to the S&P/ASX100 index. This will impact some stock weightings within the portfolio; and
2. allowing the investment strategy to use derivatives up to a maximum of 10% of the Fund. This will provide an efficient way for managing market exposure and allowing the Fund to maximise option income for investors.

AGP Investment Management Limited, as Responsible Entity for the Fund, believes this change has the potential to provide significant benefits to investors and enhance the prospects of the Fund continuing to meet its investment objective.

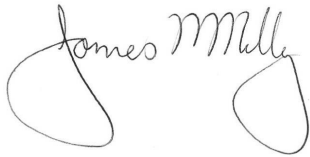
There is no change to the total management fee payable by the Fund. However, investors will now benefit from Vertium's specialised funds management skills.

### Directors' Declaration

In accordance with a resolution of the Directors of Switzer Dividend Growth Fund (the **Fund**), I state that:

In the opinion of the Directors of the Responsible Entity:

- (a) The interim financial statements and notes of the Fund are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the half-year ended on that date;
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- (c) The financial statements are in accordance with the Fund's Constitution.



James McNally  
Chairman  
AGP Investment Management Limited

Sydney,  
12 March 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SWITZER DIVIDEND GROWTH FUND

### Report on the Interim Financial Report

#### Conclusion

We have reviewed the accompanying interim financial report of Switzer Dividend Growth Fund (the Fund) which comprises the interim condensed statement of financial position as at 31 December 2023, the interim condensed statement of profit or loss and other comprehensive income, interim condensed statement of changes in equity and the interim condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Responsibility of the Directors of the Responsible Entity for the Financial Report

The directors of the responsible entity of the Fund are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the responsible entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

SW

### SW Audit

Chartered Accountants



René Muller  
Partner

Sydney, 12 March 2024