

Reliable, tax-effective income & long-term capital growth

31st May 2017

The **Switzer Dividend Growth Fund** (the Fund) aims to provide investors with tax-effective income and long-term capital growth by investing in a core portfolio of blue-chip Australian shares.

The Fund is intended to be a simple to use, low-cost vehicle that gives investors access to some of the most experienced investment professionals in Australia such as Peter Switzer, Charlie Aitken, George Boubouras and Paul Rickard.

Investors can access the Fund through one easy trade on the ASX using the ticker code SWTZ and settle via CHESS.

The Fund intends to pay franked distributions from the profits sourced as income from investments and gains from the trading and revaluation of the stocks within the portfolio.

The Fund seeks to bring together the best elements of a low-cost investment that provides market returns, skilled investment management and an expert investment committee, made available through an ASX-quoted fund.

Investors in an ASX-quoted fund may have a greater degree of investment control through liquidity, regular communications and operational transparency that a listed structure provides. The Switzer Dividend Growth Fund is intended to be a cost-effective way to maintain control of your share market investments.

INVESTMENT COMMITTEE AND PORTFOLIO MANAGER

Investors will have the benefit of an investment committee consisting of Peter Switzer, Paul Rickard, George Boubouras and Charlie Aitken. Contango Asset Management Limited (Contango), via its wholly owned subsidiary Contango Funds Management Limited (AFSL 237113) is the Investment Advisor of the fund.

KEY DETAILS	
Fund Fact Sheet Date :	31 st May 2017
ASX Code:	SWTZ
Fund Manager:	Contango Funds Management Limited
Stock universe	ASX 200
Number of Stocks:	30 – 50
Benchmark:	ASX 200 Accumulation Index
Target / Maximum cash position:	5% / 50%
Shorting / Borrowing:	No
Net Asset Value (NAV)*	\$2.497306
Performance fee	None
Management fee:	0.89%

WHY INVEST IN SWTZ?

- **Investment expertise** – Along with its expert investment committee, SWTZ has access to the full resources of Contango Funds Management. Contango has both retail and institutional mandates with proven success in managing Listed Investment Companies.
- **Tax effective income** – The Fund has been designed to help meet the needs of self-managed superannuation fund (SMSF) investors and other Australian residents looking for tax effective income with the potential for long term capital growth. The Fund expects that distributions will be fully franked or close to being fully franked.
- **Sustainable distributions** – The Fund will be investing in companies that have attractive and sustainable dividend streams and the capability to grow these dividend streams.
- **Quarterly payments** – Distributions will be paid quarterly, in January, April, July and October. They will be based on the Fund's net income at the end of the distribution period.
- **Distribution re-investment plan** – Holders can choose to have their distributions paid into an Australian dollar bank account, or alternatively, have their distributions automatically re-invested into additional Units of the Fund.
- **Trading on the ASX market** – SWTZ is listed on the ASX. Holders can buy and sell Units through a stockbroker or share trading account. Investors will also be able to see the prices at which other investors are prepared to exchange Units. Settlement of Units traded on the ASX Market will occur via the CHESS settlement service on the second business day after the trade date.
- **CHESS statements** – Holders will receive a CHESS holding statement showing the numbers of Units that they own. Holders will receive an updated CHESS holding statement upon the occurrence of any changes to their holding.
- **Liquidity** – To assist with the liquidity of the Fund's Units on the ASX Market, the Responsible Entity, on behalf of the Fund, may act as a buyer or seller of Units. The Responsible Entity will execute its market making activities via an ASX Trading Participant.

PERFORMANCE *(after fees but before taxes)*

May 2017				
%	1 Month	3 Month	12 Month	Inception (23rd Feb, 2017)
SWTZ	-3.34	1.09		0.55
ASX 200 ACCUM	-2.75	1.52	11.10	0.22
ADDED VALUE	-0.58	-0.43		0.34

ASSET ALLOCATION

SECTOR	WEIGHT %
Consumer Discretionary	2.1
Consumer Staples	5.4
Energy	5.7
Financials Ex-REITs	39.8
Health Care	6.8
Industrials	6.4
Information Technology	0.0
Materials	18.0
REITs	6.7
Telecommunication Services	3.7
Utilities	4.1
[Cash]	1.3
[Futures]	0.0

PORTFOLIO CHARACTERISTICS

May 2017	SWTZ	ASX 200 ACCUM INDEX
Median market cap (\$m)	15,207.5	2,650.3
Price to earnings ratio	16.1	16.7
Earnings growth (%)	4.1	4.5
Dividend Yield (net)	4.8	4.7
Dividend Yield (gross)	6.3	6.1
Return on equity (%)	14.8	16.2
Beta	1.0	1.0
Active Share	32.3	-
Tracking Error (Ex ante)	1.4	-

Source: Bloomberg, Bloomberg AIM, Heuristic Investment Systems

TOP 10 HOLDINGS

CODE	STOCK	WEIGHT %
CBA	COMMONWEALTH BANK OF AUSTRALIA	9.1
ANZ	AUST AND NZ BANKING GROUP	7.6
BHP	BHP BILLITON LIMITED	6.7
WBC	WESTPAC BANKING CORP	6.7
NAB	NATIONAL AUSTRALIA BANK	6.5
CSL	CSL	4.7
WES	WESFARMERS	4.4
MQG	MACQUARIE GROUP	3.5
TLS	TELSTRA CORP	3.3
BXB	BRAMBLES	2.8

INVESTMENT PROCESS



Disclaimer:

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www.switzerassetmanagement.com.au