

Wednesday, 21 April 2021

## Important Update for Investors

### Switzer Dividend Growth Fund

### Change of Investment Manager – Blackmore Capital

Dear Unitholder,

On behalf of the board of Switzer Asset Management Limited (**the Board** or **SAML**), I am pleased to advise of a change to the Switzer Dividend Growth Fund (Quoted Managed Fund) (**SWTZ** or **the Fund**) with the appointment of Blackmore Capital Pty Ltd (**Blackmore Capital**) as investment manager effective Monday, 19 April 2021.

Since inception in 2017, SWTZ has delivered on its objective of providing investors with reliable, tax-effective income. However, the Board believes there is opportunity to improve the performance of the Fund in terms of capital growth.

The Board believes this change of investment manager will enhance long-term portfolio performance and provide significant benefits to all investors. These benefits include:

- access to a best of breed Australian equity income manager with a proven investment process. Since inception in 2014, the Blackmore Capital Australian Equities Income Portfolio (**Strategy**) has returned 8.7% per annum after fees, outperforming its benchmark S&P/ASX 200 Accumulation index by 1.2% per annum<sup>1</sup>;
- expected continued reliable income. Blackmore Capital has a history of delivering sustainable income streams, with the Strategy delivering an average annual yield of 4.30% after-fees plus franking since inception;
- expected lower portfolio turnover for a more tax-effective investment outcome;
- increased focus on downside protection. A central pillar of Blackmore Capital's investment philosophy is to participate when equity markets rise, but to decline less when markets fall; and
- access to a manager with strategies positively rated by leading research houses including Zenith Investment Partners.

#### About Blackmore Capital

Blackmore Capital is an employee-owned asset management firm focusing on 'long only' Australian equities within the S&P/ASX 300. Lead by experienced CIO Marcus Bogdan, Blackmore Capital's investment process combines long periods of solitary research with an intensive company visitation program.

With over 25 years of managing investors' wealth, Blackmore Capital has delivered capital growth through a myriad of market cycles by applying its time-tested investment framework with relentless discipline. Blackmore Capital distances itself from the short-term attitudes and stock market noise by aiming to identify genuine high-quality investment opportunities for the longer term.

---

<sup>1</sup> Inception May 2014. Portfolio return is calculated before expenses and after investment management and performance fees are paid. Performance includes the reinvestment of dividends and income. Past performance is not an indicator of future performance.

#### Switzer Asset Management Limited

ACN 123 611 978

AFSL 312 247

Level 6, 10 Spring Street Sydney NSW 2000

T 1300 052 054

W [switzerassetmanagement.com.au](http://switzerassetmanagement.com.au)

E [invest@switzer.com.au](mailto:invest@switzer.com.au)

## Investment Objective and Strategy

The focus of the investment committee will be to work with Blackmore Capital to provide long-term growth in both capital and income by investing in Australian listed equities. It is intended that income will continue to be paid quarterly and will be franked to a material extent, subject to financial, legal and regulatory requirements.

SAML is delighted to be working with a leading Australian equity manager with the potential to provide a superior investment outcome for investors.

## What Does This Mean for You?

The Switzer Dividend Growth Fund (Quoted Managed Fund) has provided investors with reliable, tax-effective income for over four years. SAML, as responsible entity for the Fund, believes this change will provide significant benefit to investors and enhance the prospects of the Fund continuing to meet its investment objective.

### **Current investors do not need to take any action.**

There is no change to the total fee payable by the Fund. However, investors will now benefit from Blackmore Capital's specialised funds management skills, in addition to continuing to receive the support from SAML's successful marketing and distribution platform.

For more detailed information on the Fund, please read the updated Product Disclosure Statement which is available either online at <https://www.switzerassetmanagement.com.au/funds/swtz/> or by contacting us directly via email at [invest@switzer.com.au](mailto:invest@switzer.com.au) or by phone on 1300 052 054.

Thank you for your ongoing support.

Sincerely,



**Peter Switzer**

Chairman and Non-executive Director

#### Switzer Asset Management Limited

ACN 123 611 978

AFSL 312 247

Level 6, 10 Spring Street Sydney NSW 2000

T 1300 052 054

W [switzerassetmanagement.com.au](http://switzerassetmanagement.com.au)

E [invest@switzer.com.au](mailto:invest@switzer.com.au)