

Quarterly performance report

30 June 2019

DNR Australian Equities High Conviction Managed Portfolio

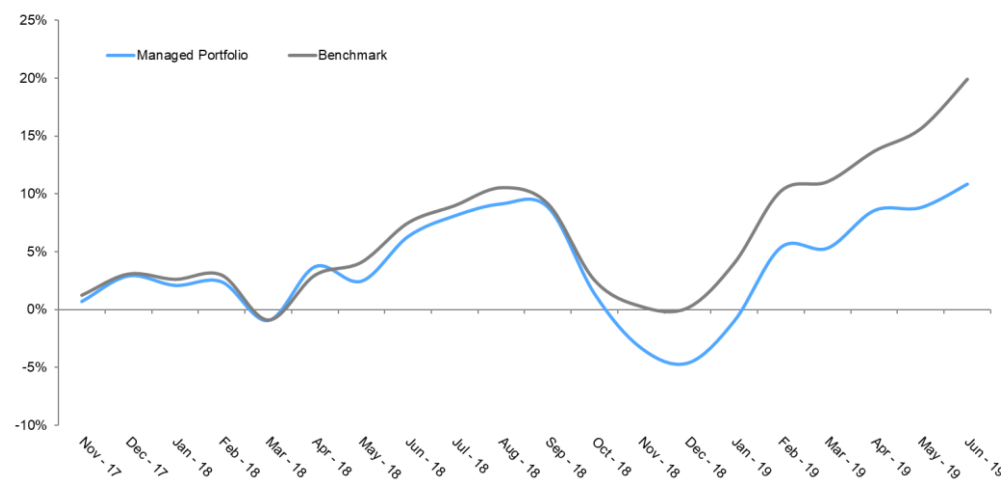
The DNR Australian Equities High Conviction Managed Portfolio is a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

Performance as at 30 June 2019 ¹					Top five holdings	%
	1 mth (%)	3 mths (%)	1 yr (%)	Annualised return since incep (%pa)		
Portfolio	1.86	5.26	4.26	6.42	National Australia Bank (NAB)	9.13
Benchmark	3.70	7.97	11.55	11.58	BHP Group Limited (BHP)	7.88
+/- Return	-1.84	-2.71	-7.28	-5.17	Cash	6.39
					Commonwealth Bank of Aust (CBA)	5.62
					Seek Limited (SEK)	5.49

Portfolio and market returns

The portfolio underperformed the S&P ASX200 Accumulation benchmark during the June quarter. Stock selection within the sectors of Industrials, Communication Services and Energy contributed the most to performance during the quarter, while weaker selection within the sectors of Information Technology, Financials and Materials had a negative impact. The portfolio's allocation to the sectors of Consumer Staples, Utilities and Real Estate added to performance during the quarter, while allocation to the sectors of Financials and Health Care, and cash detracted value overall. Individual holdings in REA Group, Seek and Aristocrat Leisure made a positive contribution to performance. Overall exposure Link Administration Holdings, Tabcorp Holdings and Treasury Wine Estates had a negative impact.

Performance since inception¹



¹ The Portfolio's benchmark is the S&P/ASX200 Accumulation Index. Past performance is not a reliable indicator of future performance and may not be achieved in the future. All information provided in this Report is correct at the date of this report. Returns are calculated net of management, administration, custody and transaction fees, and assume the reinvestment of all income (but not franking credits). Inception date of the Portfolio is 2 November 2017. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, inflows and outflows, other fees and any customisations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

Investment objective & strategy

The DNR Capital Australian Equities High Conviction Managed Portfolio aims to outperform the S&P/ASX 200 Accumulation Index by 4.0% pa (before fees) over a rolling three-year period.

The investment strategy of the Managed Portfolio results in a portfolio that is high conviction and invests for the medium-to-long term. The portfolio construction process is influenced by a top-down economic appraisal and also considers the risk characteristics of the portfolio such as stock and sector correlations.

The stock selection process has a strong bottom-up discipline and focuses on investing in quality companies at reasonable prices.

About DNR Capital

Founded in 2001, DNR Capital is an independent Australian investment management company that delivers client focused, quality investment solutions. It is a pioneer in the delivery of individually and separately managed accounts in the Australian market and aims to deliver investment out-performance.

About Mason Stevens

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

Portfolio management

Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Managed Portfolio on the instructions of DNR Capital as the Program Adviser.

Contact

Investors

Please speak to your adviser

Key features

Investment universe	Equity securities listed or about to be listed on the ASX or Cash
Benchmark	S&P/ASX200 Accumulation Index
Number of investments	15-30
Min cash weighting	2%
Max cash weighting	20%
Max individual security weights	15%
Rebalancing	Program Adviser discretion
Min initial investment	\$50,000
Suggested investment timeframe	5 years

Fees (including GST)

Management fee	0.80% pa calculated daily and charged monthly in arrears
Administration, custody, account service fees, transaction costs and the indirect cost ratio.	Please refer to the Investment Mandate

More information

Further information about the Portfolio, including fees and costs, is outlined in the DNR Capital Australian Equities Managed Portfolio Investment Mandate.

Advisers

T 1300 988 878
E info@masonstevens.com.au
W masonstevens.com.au

This information has been prepared by Mason Stevens Limited (ABN 91141 447 207, AFSL 351578) (Mason Stevens) as the Managed Discretionary Account (MDA) Provider. Any content provided in this report is for the purpose of providing general advice and information only. It does not take into account yours or your client's personal objectives, financial situation and needs. Please seek specific advice before making a decision in relation to any investment. The information is provided in good faith and we do not make any representation or warranty as to its accuracy, reliability or completeness. To the extent permissible by law, we do not accept any responsibility for any error, omission, indirect or consequential loss or damages (whether arising in contract, tort, negligence or otherwise, in any case whether foreseeable or not). Any information contained in this report is subject to change without prior notice by Mason Stevens and Mason Stevens is not obliged to update any information. References made to any third party or their data is based on information that Mason Stevens believes to be true and accurate as at the date of this report but without independent verification.