DNR Capital Australian Equities High Conviction Managed Portfolio

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.

The DNR Australian Equities High Conviction Managed Portfolio is a Managed Discretionary Account (MDA).

Fund performance as at 30 June 2020[1]

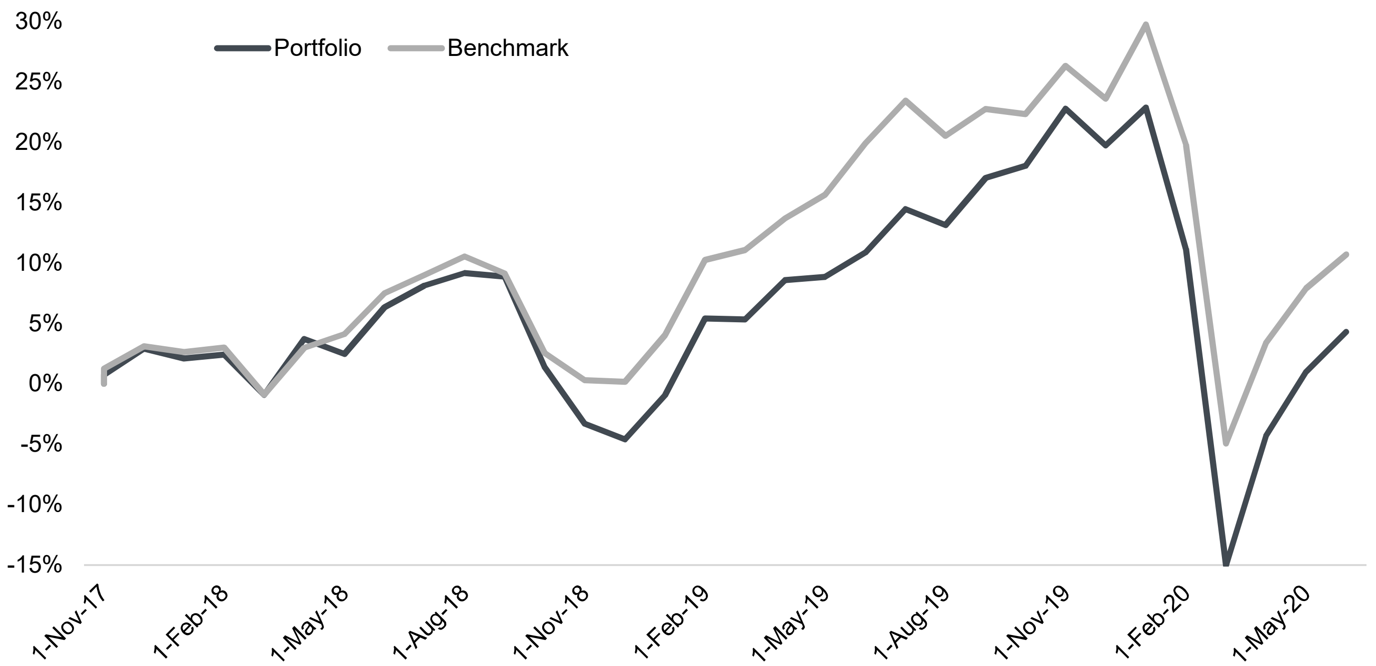
	1mth (%)	3 mths (%)	1yr (%)	3yr (%)	Annualised Since incep (%pa)
Portfolio	3.27%	22.76%	-5.94%	n/a	1.59%
Benchmark	2.61%	16.48%	-7.68%	n/a	3.90%
Excess Return	0.66%	6.28%	1.74%	n/a	-2.31%

Top 5 Holdings		%
BHP	BHP Group	8.58%
NAB	National Australia Bank	5.70%
CASH	Cash	5.49%
WES	Wesfarmers	5.18%
JHX	James Hardie	5.08%

Past performance is not a reliable indicator of future performance.

The Portfolio's benchmark is the S&P/ASX200 Accumulation Index. All information provided in this Report is correct at the date of this report but without independent verification. Portfolio 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. Each client should also take into account their own taxation situations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

Performance since inception



Portfolio and market returns

The portfolio outperformed relative to the S&P ASX200 Accumulation benchmark during the June quarter.

The portfolio's allocation to the sectors of Consumer Discretionary, Healthcare and Information Technology added to performance during the quarter, while allocation to the Communication Services sector had a negative impact on performance.

Stock selection within the sectors of Financials, Healthcare and Communication Services contributed the most to performance, while weaker selection within the Information Technology sector impacted performance.

Individual stocks that contributed most positively to the performance over the quarter included CSL (CSL, no holding), James Hardie Industries (JHX) and Seek (SEK).

Detractors to performance included Treasury Wine Estates (TWE), Afterpay (APT, no holding) and Fortescue Metals Group (FMG, no holding).

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 investment	A$50,000
Suggested 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.

Portfolio management: Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Managed Portfolio on the advice from DNR Capital as the Investment Sub-Adviser.

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.

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

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.

Contact

Investors please speak to your adviser

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