

DNR Capital Australian Equities Income Managed Portfolio



Investment objective & strategy

The investment objective of the DNR Capital Australian Equities Income Managed Portfolio is to outperform the S&P/ASX 200 Industrials Accumulation Index (before fees), and deliver higher levels of income relative to the benchmark 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 Managed Portfolio also has a preference for companies that have high and sustainable dividend capability, strong profit to cash conversion, and relatively assured earnings growth.



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

Fund performance as at 30 June 2020¹

	1mth (%)	3 mths (%)	1yr (%)	3yr (%)	Annualised Since incep (%pa)
Portfolio	1.86%	21.10%	-8.25%	n/a	0.59%
Benchmark	2.85%	13.93%	-7.79%	n/a	3.79%
Excess Return	-0.99%	7.17%	-0.46%	n/a	-3.21%

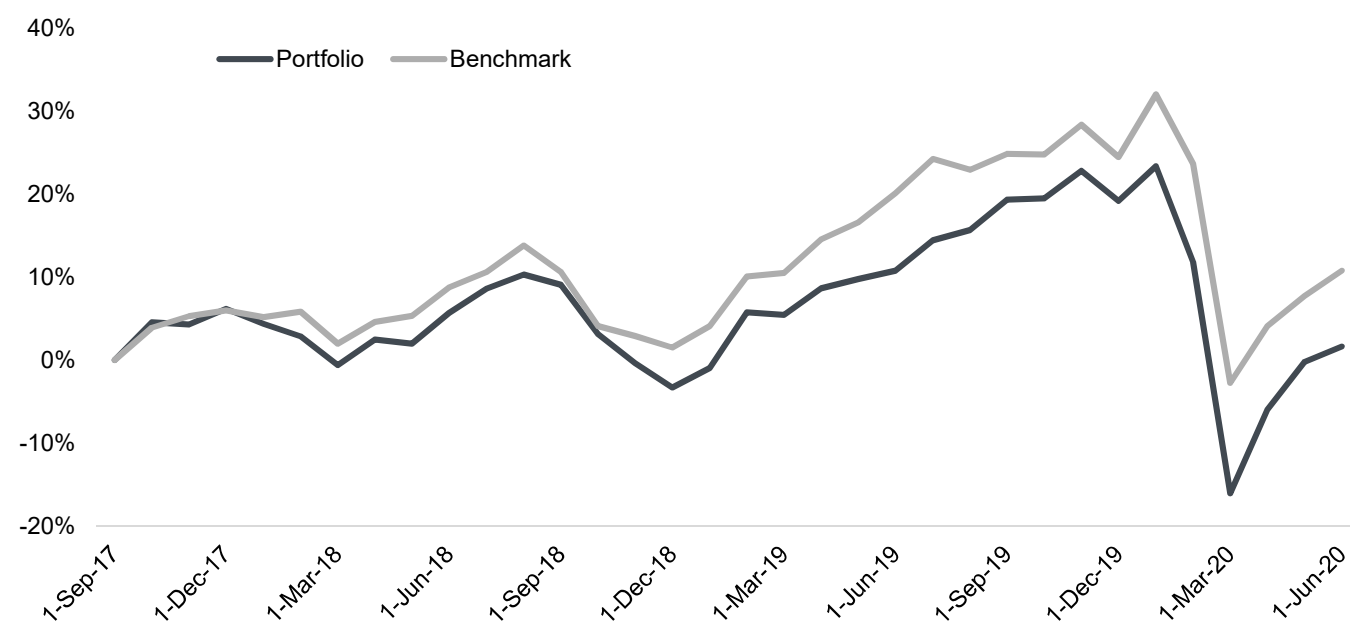
Top 5 Holdings %

NAB	National Australia Bank	7.86%
MQG	Macquarie Group	6.77%
TLS	Telstra Corp	5.95%
WES	Wesfarmers	5.30%
TAH	TABCORP	4.89%

Past performance is not a reliable indicator of future performance.

The Portfolio's benchmark is the S&P/ASX200 Industrials 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 30 September 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 Industrials Accumulation benchmark during the June quarter.

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

Stock selection within the sectors of Healthcare, Financials and Consumer Discretionary contributed the most to performance, while weaker selection within the sectors of Industrials and Real Estate impacted performance.

Individual stocks that contributed most positively to performance over the quarter included CSL (CSL, no holding), Super Retail Group (SUL) and James Hardie Industries (JHX). Detractors to performance included Afterpay (APT, no holding), IPH (IPH) and Suncorp Group (SUN).

Key Features

Investment universe

Equity securities listed or about to be listed on the ASX or Cash.

Benchmark

S&P/ASX200 Industrials 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

\$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

For Advisers:

T 1300 988 878

E info@masonstevens.com.au

W masonstevens.com.au

This Report is provided by Mason Stevens Limited (ACN 141 447 207, AFSL 351578) (Mason Stevens) as the Managed Discretionary Account (MDA) Provider. Content in this Report is of a general nature and does not have regard to any individual's personal objectives, financial situation and needs. Please seek specific advice and obtain a copy of the investment mandate before making a decision in relation to any investment. Information in this Report is provided in good faith. Whilst every effort is made to ensure the information is accurate at the time of sending, Mason Stevens does not make any representation or warranty as to its accuracy, reliability or completeness nor does it undertake to correct any information subsequently found to be inaccurate. Any information contained in this Report is subject to change without prior notice 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.