

# DNR Capital Australian Equities Income Fund

APIR code: PIM8302AU

Delivering higher levels of tax-effective income and capital growth through our quality investment philosophy



Employee owned  
boutique manager



Disciplined focus on  
quality companies



Concentrated  
portfolios



Focus on growing  
\$ income



Dual investment  
objective of income  
and growth

## About DNR Capital

### → Concentrated:

Investing in 15-30 highest conviction, Australian listed equities. Concentrated portfolios of quality companies maximise the opportunity for outperformance.

### → Style neutral and quality focused:

A disciplined approach to quality and valuation.

### → Dual investment objective:

Acknowledging the value of both income and capital, this strategy focuses on delivering a high level of tax effective income, that grows over time, in addition to growing the investors capital.

### → A diversified set of opportunities:

At DNR Capital, we categorise income generating companies as:

- **Growers:** A company that is delivering below market income in the short term, however is expected to deliver above market income growth over the long term.
- **Compounders:** A company that is delivering a market level of income, with the potential to deliver above market income growth on a sustainable basis.
- **Cows:** A company with a solid balance sheet and capital management potential that is being undervalued on traditional earnings-based metrics.
- **Yielders:** A company that is delivering sustainable and cash-backed dividends, however with minimal (or no) income growth.

### → Experienced and aligned team:

The portfolio managers have more than 40 years of combined investment experience and are invested alongside our clients.

### → Proven process:

DNR Capital was established in 2001 and has a consistent firm-wide investment process.

## Fund snap shot

### Investment return objective:

To outperform the benchmark and deliver higher levels of income over a rolling three-year period. The investment objective is not a forecast of the Fund's performance.

**Benchmark:** S&P/ASX 200 Industrials Total Return Index

**Investment focus:** Growing tax-effective dollar (\$) income over time

**Size bias:** Large cap

**Investment horizon:** Five years +

**Investment strategy:** Long only

**Style:** Neutral with a quality focus

**Number of stocks:** 15-30

**Asset allocation ranges:** Australian Equities 80-100%  
Cash 0-20%

**Portfolio managers:** Jamie Nicol and Tim Bingham

## Fund facts

**Inception date:** March 2020

**Minimum initial investment:** \$20,000

**Risk level:** This Fund is appropriate for investors with "High" or "Very High" risk and return profiles. A suitable investor for this Fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the [Target Market Determination \(TMD\)](#) for further information.

**Management fee:** 0.90% (inclusive GST and RITC)

**Performance fee:** Nil

**Entry/exit fees:** Nil

**Buy/sell spread:** +0.20%/-0.20%

**Valuation and unit pricing frequency:** Each business day

**Distribution frequency:** Monthly

**Responsible entity:** The Trust Company (RE Services) Limited as part of the Perpetual Limited group of companies.

## DNR Capital Australian Equities Income Fund

### Investment philosophy and process

DNR Capital believes a focus on quality will enhance returns when combined with a thorough valuation overlay. DNR Capital seeks to identify good quality businesses that are mispriced by overlaying DNR Capital's quality filter, referred to as the 'quality web', with a strong valuation discipline. The Fund seeks to identify quality investments, delivering sustainable, growing income. The Fund seeks to invest in a selection of securities that have high and sustainable dividend capability, strong profit-to-cash conversion, and relatively assured earnings growth. The investment strategy of the Fund is intended to result in a concentrated portfolio that is high conviction and invests for the medium to long-term.

### Experienced portfolio managers



**Jamie Nicol**  
Chief Investment Officer  
33 years investment experience



**Tim Bingham**  
Portfolio Manager  
11 years investment experience

### Disclaimers

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### How to invest

#### Invest online directly

[dnrcapital.com.au/income-fund/](http://dnrcapital.com.au/income-fund/)

#### Invest via platforms

The DNR Capital Australian Equities Income Fund is available on the following platforms:

- BT Panorama
- CFS Edge
- Clearstream
- DASH
- Expand\*
- HUB24
- IoniQ
- Macquarie Wrap
- Mason Stevens
- Netwealth
- Powerwrap
- Praemium

\* SMA available on Grow Wrap, Mentor, PortfolioOne, Voyage and Wealthtrac

\* Funds available on Expand Essential, Expand Extra, Shadforth Portfolio Services, IOOF, Grow Wrap, PortfolioOne, Mentor, Voyage and Wealthtrac

### Ratings

