

DNR Capital Australian Equities Income Portfolio

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.

Portfolio 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 Portfolio'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

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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

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How to invest

Invest via SMA platforms

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

- AMP North
- BT Panorama
- CFS Wrap/Edge
- HUB24
- Macquarie Wrap
- Mason Stevens
- Netwealth
- Powerwrap
- Praemium

Invest via the managed fund

- Invest online directly
dnrcapital.com.au/income-fund
- Invest via platform
dnrcapital.com.au/platforms

Invest directly via DNR Capital

For further information email info@dnrcapital.com.au or phone 07 3229 5531.

Ratings

