

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 portfolio 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 under-valued 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

How to invest

Invest via SMA platforms

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

- AMP MyNorth
- BT Panorama
- CFS 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

Recommended
Lonsec Research

Zenith
RECOMMENDED

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