

# DNR Capital Australian Equities Socially Responsible Portfolio

## An unwavering commitment to our quality investment philosophy



Employee owned boutique manager



Disciplined focus on quality companies



Concentrated portfolios



Strong history of transparency



Early leader in Australian ESG

### About DNR Capital and the Portfolio

#### → Concentrated:

Investing in 15-30 highest conviction, quality large-mid cap Australian listed equities.

#### → Style neutral and quality focused:

A disciplined approach to quality and valuation. Concentrated portfolios of quality companies maximise the opportunity for outperformance.

#### → Three stage approach:

**Integration:** Our ESG assessment is one of the five components of our "quality web", which we use to assess the quality of companies.

**Engagement:** Strong engagement with companies and stakeholders to understand material ESG risk factors.

**Negative screen:** The portfolio's negative screen precludes it from owning companies that derive any revenue from the production or manufacture of:

- tobacco, tobacco-based products or nicotine alternative products.
- controversial weapons including biological or chemical weapons, depleted uranium ammunition/armour, anti-personnel mines, cluster munitions/sub-munitions or nuclear weapons and their key components.

The portfolio's negative screen precludes it from owning stocks where the company's core business is:

- production, distribution or sale of pornography.
- ownership or operation of a gambling related business or manufacture and supply of gambling equipment and systems.
- production or service of military equipment or civilian firearms

#### → Experienced and aligned team:

The portfolio managers have more than 60 years of combined investment experience and are invested alongside our clients.

#### → Proven process:

DNR Capital was established in 2001 and a consistent firm-wide investment process has delivered more than 22 years of investment outperformance.

### Portfolio snap shot

#### Investment return objective:

To outperform the benchmark by 4% p.a. over a rolling three-year period

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

**Investment focus:** Capital growth

**Size bias:** Large and Mid 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 Scott Bender

### Investment philosophy

This strategy adopts DNR Capital's quality investment philosophy. Quality companies at attractive valuations, are well placed to deliver investment returns through economic cycles. Concentrated portfolios of quality companies maximise the opportunity for outperformance. DNR Capital has developed a proprietary "quality web" methodology, where we define quality companies as being those with the following five attributes:

- earnings strength (particularly improving return)
- superior industry structure
- balance sheet strength
- strong management and
- environmental, social and governance (ESG) risk assessment.

Our assessment of a company's quality is overlaid with a detailed valuation assessment where we seek to identify mispriced market inefficiencies.

# DNR Capital

## Australian Equities Socially Responsible Portfolio

### Ratings



### Awards

IMAP MANAGED ACCOUNT AWARD FINALIST -  
ESG PORTFOLIO



IMAP  
MANAGED ACCOUNT  
AWARD FINALIST  
ESG PORTFOLIO

CERTIFIED BY THE RESPONSIBLE INVESTMENT  
ASSOCIATION AUSTRALASIA (RIAA)



CERTIFIED BY RIAA

DNR Capital Australian Socially Responsible Strategy has been certified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program. See [www.responsiblereturns.com.au](http://www.responsiblereturns.com.au) for details.<sup>1</sup>

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### How to invest

#### Invest via SMA platforms

The DNR Capital Australian Equities Socially Responsible Portfolio is available on the following platforms.

- BT Panorama
- CFS FirstWrap
- HUB24
- Netwealth
- OneVue
- Powerwrap
- Praemium

#### Invest directly via DNR Capital

For further information email [info@dnrcapital.com.au](mailto:info@dnrcapital.com.au) or phone 07 3229 5531.

### Experienced portfolio managers



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



**Scott Bender**  
Portfolio Manager  
29 years investment experience