

The Datt Capital Absolute Return Fund is a long-only, multi-asset fund targeting double digit returns over the medium term, managed by a performance orientated and differentiated boutique fund manager. Our objectives are to minimize the risk of permanent capital loss, achieve an absolute return throughout the economic cycle and temper the market risks typical of equity funds. We believe that utilizing a multi-asset approach reduces downside risk and volatility in returns.



Datt Capital Absolute Return Fund - April 2020

To our valued investors,

Thank you for entrusting your capital and co-investing with us. For April the Fund provided a net return of 12.00% for the month vs a rise of 8.78% for the ASX 200 Total Return index.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
FY19		2.6%	-1.22%	-4.8%	3.53%	-2.07%	6.97%	1.66%	0.76%	-3.64%	-2.45%	0.79%	1.57%
FY20	4.85%	3.01%	1.72%	0%	1.31%	0.84%	2.02%	-5.85%	-13.66%	12.00%			4.24%

Asset Allocation for the Fund at April month end was:

CRE debt - 42%

Equities - 46%

Cash - 12%

The equity markets in April stabilized with strong government support and intervention into the financial markets, along with a realization that the actual experience and outlook for COVID-19 has been much better than initially modeled. Our optimism paid off in spades, as we managed to capture a greater than market return this month; following on from the prior month where we captured less downside than the broader market. Pleasingly, this has validated our strategy in some of the harshest market conditions experienced since the global financial crisis; with the Fund maintaining a positive return this FY.

Whilst our social and economic environments have been greatly hamstrung by overzealous government curfews, we are positive that we have seen the worst of it. Life will take time to get back to normal but will go on. We continue to find many fantastic opportunities in the market and will continue to stay agile and disciplined in our asset allocation for the benefit of our investors.

Fund Features		Portfolio Analytics ¹	
Investment Objective	To achieve absolute double digit returns over 2-year periods, irrespective of market conditions	Sortino Ratio ²	0.17
Min. Investment	\$100,000	Sharpe Ratio	0.21
Management Fee (p.a.)	1.025%	Standard Deviation (annualised)	17.29%
Performance Fee (p.a.)	20.5% > benchmark	Winning Month Ratio	62%
Benchmark	RBA rate + 5%	Cumulative Return	5.87%
Fund Administrator	Fundhost	1 year rolling return	2.48%
Auditor	Ernst & Young	3 year rolling return	-
Custodian/PB	NAB Asset Services	5 year rolling return	-
Responsible Entity	Fundhost	Annual Return since inception	3.35%

¹ Actual performance will differ for clients due to timing of their investment. Returns are calculated net of all fees, since inception.

² Sortino and Sharpe ratios assume the Australian cash rate as the applicable risk-free rate.

Investment review

Fixed income

Our CRE debt portfolio continues to perform as expected. Our focus on short duration, low LVR and double-digit yielding deals restricted to the core Australian cities (Sydney and Melbourne) continue to bear fruit. At this point in the cycle, we are staying disciplined in terms of writing new deals given the uncertainty around government support post September.

Listed fixed income markets have operated quite efficiently during the downturn, with poor credit exposures being punished for good reason, whilst yields on high quality credit have softened but not enough to be attract at this point.

Equities

Our equity portfolio performed very well in April. We continue to find inefficiently priced opportunities in the market, which we continue to exploit tactically. The Fund took a stake in an exciting new opportunity, Self Wealth, which we discuss in more length on our blog – see link below.

In addition, a couple of new growth opportunities have also been added via placements. We expect the portfolio to remain fluid in terms of exposures and individual positions going forward.

Media

- Owen Rask interviewed Emanuel for an episode of the Australian Investors Podcast accessible via this link: <https://bit.ly/Datt-Rask2>

- We wrote an article for Livewire Markets titled “The biggest investment risk today” - access link: <https://bit.ly/2XCqCg8>

- We wrote an investment thesis on a new position in the Fund, Self Wealth, accessible via this link: <https://bit.ly/Datt-SWF>

[For now, the Fund remains open for investment.](#)

To join our Waitlist and Register your interest in the Fund please register via this link:

<http://bit.ly/datt-register>

Please click the link below to view the Fund disclosure documents and apply for an investment online.



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