

Datt Absolute Return Fund

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DATT
CAPITAL

This information has been prepared for wholesale/sophisticated investors only.

INVESTMENT UPDATE - JANUARY 2023

The Datt Capital Absolute Return Fund is a long-only 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 utilizing a multi-asset approach reduces downside risk and volatility in returns.

Unit Mid-Price	Net Return Per Annum Since Inception	Net Return Since Inception	Fund Status
\$1.0508	17.34%	104.96%	Open

INVESTMENT PERFORMANCE

	Since Inception (p.a)	3 year p.a.	1 year	3 month	1 month
Datt Absolute Return Fund	17.34%	20.80%	33.76%	-6.40%	-1.46%
Benchmark	5.99%	5.78%	6.73%	2.03%	0.69%
Value Add (net)	11.35%	15.02%	27.03%	-8.43%	-2.15%

Actual performance will differ for clients due to timing of their investment. Returns are calculated net of all fees, since inception. Benchmark is the RBA rate plus 5%. Inception date of the Fund is August 2018. Past performance is not an indicator of future performance

Key Fund Information		Top 3 Portfolio Holdings (alphabetical) as at January end.	
Investment Objective	To achieve absolute double digit returns over 2-year periods	Dreadnought Resources (DRE) Selfwealth (SWF) Whitehaven Coal (WHC) Weighted average portfolio market cap: \$1.93 billion	
Min. Investment	\$100,000 (unless otherwise agreed)		
Management Fee (p.a.)	1.025%		
Performance Fee (p.a.)	20.5% > benchmark		
Benchmark	RBA rate + 5%	Portfolio Analytics¹	
Fund Administrator	Fundhost	Sortino Ratio	1.42
Auditor	Ernst & Young	Sharpe Ratio	0.86
Custodian/PB	NAB Asset Services	Standard Deviation	19.99%
Trustee	Fundhost		

¹Sortino and Sharpe ratios assume the Australian cash rate as the applicable risk-free rate, since inception.

COMMENTARY

For the month of January, the Fund delivered a net return of -1.46% for our investors.

The month was relatively quiet for the Fund, with little movement in the portfolio. All portfolio exposures were marginally soft across the board, whilst we remain defensively positioned.

The broader markets continue to rise against consensus expectations, despite the spectre of high inflation and rising interest rates. We are finding most opportunities are fairly or more than fairly valued and as such, are taking a disciplined, patience approach to new positions.

We have identified a number of sectors that have the ability to persist throughout periods of elevated inflationary pressures, and expect to begin deploying capital into these in the coming months.

We continue to believe that the market environment, whilst benign on the surface, holds more downside than upside risk at this point in time.

In the words of an erstwhile investing legend¹: “First you have to get *all* the facts, and then you’ve got to *face* the facts – not pipedreams.”

This is very much aligned with our present thoughts on the markets.

Returns by Month

	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%	9.22%	8.24%	23.23%
FY21	10.84%	11.82%	-2.05%	-0.37%	-1%	0.30%	-0.1%	3.63%	-0.98%	4.46%	6.26%	-7.17%	26.86%
FY22	3.21%	-6.32%	7.63%	-6.90%	-2.64%	9.42%	-6.49%	5.27%	9.28%	4.31%	-0.43%	-3.71%	11.03%
FY23	12.13%	15.40%	-3.76	-0.25%	-2.45%	-2.63%	-1.46%						16.27%

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



¹ Paul Cabot

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