

Datt Capital Absolute Return Fund

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DATT
CAPITAL

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

INVESTMENT UPDATE - OCTOBER 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
\$1.0214	15.22%	109.95%	Open

INVESTMENT PERFORMANCE

	Since Inception (p.a)	3 year p.a.	1 year	3 month	1 month
Datt Absolute Return Fund	15.22%	11.52%	-4.12%	1.83%	4.43%
Benchmark	6.45%	6.72%	9.02%	2.31%	0.77%
Value Add (net)	8.77%	4.80%	-13.14%	-0.48%	3.66%

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 October 2018. Past performance is not an indicator of future performance

Key Fund Information		Top 3 Portfolio Holdings (alphabetical) as at October end.	
Investment Objective	To achieve absolute double digit returns over 2-year periods	Undisclosed holding	
Min. Investment	\$100,000 (unless otherwise agreed)	Selfwealth (SWF)	
Management Fee (p.a.)	1.025%	WA1 Resources (WA1)	
Performance Fee (p.a.)	20.5% > benchmark	Portfolio Analytics¹	
Benchmark	RBA rate + 5%	Sortino Ratio	1.25
Fund Administrator	Fundhost	Sharpe Ratio	0.77
Auditor	Ernst & Young	Standard Deviation	19.06%
Custodian/PB	NAB Asset Services		
Trustee	Fundhost		

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

COMMENTARY

For the month of October, the Fund delivered a net return of 4.43% for our investors, despite weak broader equity markets with the ASX200 TR index returning -3.78% in comparison. Since inception, we have achieved a net compound annual return of 15.22% or a 109.95% net cumulative return.

The portfolio's core positions are performing well fundamentally and continue to build shareholder value which we expect will be recognised in time or by other interested parties.

The portfolio benefitted from its exposure to core portfolio holding, WA1 Resources, which continues to report world-class niobium intersects from its Luni deposit. The recent strikes demonstrated outstanding continuity in high grade and mineralisation. Given the global scarcity of niobium deposits, the present industry structure and the significant scope for increases in potential future demand; we remain excited by the company's potential to continue to build near-term fundamental value.

The company remains massively underheld by institutional investors, with only 2 professional investors, our own firm and another fund manager, holding over 4% of the register each respectively. This is an unusual situation, especially given the immense strategic nature of the resource being defined; as well as the potential near-term inclusion of the stock into broader stock indices such as the ASX300.

The still modest valuation of ~\$600 million, strong management alignment (who hold 37% of the company) and multitude of near-term catalysts makes WA1 Resources a compelling value proposition for our portfolio with the potential for further strong idiosyncratic returns.

The Fund continues to hold select exposure to a range of prospective small cap holdings that we expect will potentially provide near and medium-term value uplifts.

We encourage investors interested in our offerings to please contact Daniel Liptak via email at daniel@datt.com.au or via phone on 0419 004 524.

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%	-3.65%	-5.19%	2.02%	5.22%	0.47%	14.54%
FY24	2.11%	-1.43%	-1.07%	4.43%									3.98%

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



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