

# Datt Absolute Return Fund

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**DATT**  
CAPITAL

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

## INVESTMENT UPDATE - JUNE 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
<b>\$1.0352</b>	<b>15.43%</b>	<b>101.91%</b>	<b>Open</b>

## INVESTMENT PERFORMANCE

	Since Inception (p.a)	3 year p.a.	1 year	3 month	1 month
<b>Datt Absolute Return Fund</b>	<b>15.43%</b>	<b>17.28%</b>	<b>14.54%</b>	<b>7.84%</b>	<b>0.47%</b>
Benchmark	6.24%	6.26%	8.27%	2.22%	0.75%
Value Add (net)	9.19%	11.02%	6.27%	5.62%	-0.28%

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 June end.	
Investment Objective	To achieve absolute double digit returns over 2-year periods	Allkem (AKE)	
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	Weighted average portfolio market cap: \$848 million	
Benchmark	RBA rate + 5%	<b>Portfolio Analytics<sup>1</sup></b>	
Fund Administrator	Fundhost	Sortino Ratio	1.24
Auditor	Ernst & Young	Sharpe Ratio	0.77
Custodian/PB	NAB Asset Services	Standard Deviation	19.58%
Trustee	Fundhost		

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

## COMMENTARY

For the month of June, the Fund delivered a net return of 0.47% for our investors. Our net return to investors for the financial year was 14.54%, representing the fourth successive financial year in which we have achieved our Fund's objective of a 10% net return per annum.

Since inception, we have returned 15.43% net per annum or 101.91% in total; significantly more than the ASX200 Total Return index which has returned 6.98% per annum in contrast.

### FY Review and Outlook

The first half of the year was dominated by the theme of inflation and the Fund was well positioned to capture this early on. However, several consecutive rate hikes coupled with a softening in the prices of energy commodities led to disinflation from around the start of the calendar year. Whilst we were somewhat slow to identify this dynamic, we pivoted successfully in the last quarter and remain well positioned going into the new financial year.

The spectre of excessive inflation has diminished however, the damage it has wrought still exists in terms of market valuations, especially for companies of smaller market capitalisations. The Australian economy continues to recover slowly and will benefit from several tailwinds.

Most notably, immigration inflows over the next two years are expected to exceed 700,000 individuals; all who will require essential services and employment. We expect that this will stimulate the economy and once again stoke inflation, especially given real interest rates are still negative.

### New Fund offering

We are enthused by the prospects in the smaller end of the market, given the attractive valuations at hand and are launching a specialist small company strategy, **the Datt Small Companies Fund**, to capture potential returns arising from this valuation mismatch. This Fund will invest solely in equities and accordingly we expect higher returns may be achievable, albeit at higher volatility.

We are targeting a launch in August 2023 and encourage investors interested in this offering to please contact Daniel Liptak via email at [daniel@datt.com.au](mailto:daniel@datt.com.au) or via phone on 0419 004 524.

An online expression of interest form is also available via this [LINK](#)

### Returns by Month

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
<b>FY19</b>		2.6%	-1.22%	-4.8%	3.53%	-2.07%	6.97%	1.66%	0.76%	-3.64%	-2.45%	0.79%	<b>1.57%</b>
<b>FY20</b>	4.85%	3.01%	1.72%	0%	1.31%	0.84%	2.02%	-5.85%	-13.66%	12.00%	9.22%	8.24%	<b>23.23%</b>
<b>FY21</b>	10.84%	11.82%	-2.05%	-0.37%	-1%	0.30%	-0.1%	3.63%	-0.98%	4.46%	6.26%	-7.17%	<b>26.86%</b>
<b>FY22</b>	3.21%	-6.32%	7.63%	-6.90%	-2.64%	9.42%	-6.49%	5.27%	9.28%	4.31%	-0.43%	-3.71%	<b>11.03%</b>
<b>FY23</b>	12.13%	15.40%	-3.76	-0.25%	-2.45%	-2.63%	-1.46%	-3.65%	-5.19%	2.02%	5.22%	0.47%	<b>14.54%</b>

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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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