

# Datt Absolute Return Fund

APIR FHT3309AU

**DATT**  
CAPITAL

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

## INVESTMENT UPDATE - SEPTEMBER 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>\$0.9781</b>	<b>14.52%</b>	<b>101.05%</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>14.52%</b>	<b>9.79%</b>	<b>-8.41%</b>	<b>-0.43%</b>	<b>-1.07%</b>
Benchmark	6.40%	6.60%	8.88%	2.31%	0.75%
Value Add (net)	8.12%	3.19%	-17.29%	-2.74%	-1.82%

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

Key Fund Information		Top 3 Portfolio Holdings (alphabetical) as at September 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	Weighted average portfolio market cap: \$215 million	
Benchmark	RBA rate + 5%	<b>Portfolio Analytics<sup>1</sup></b>	
Fund Administrator	Fundhost	Sortino Ratio	1.18
Auditor	Ernst & Young	Sharpe Ratio	0.74
Custodian/PB	NAB Asset Services	Standard Deviation	19.17%
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 September, the Fund delivered a net return of -1.07% for our investors. Since inception, we have achieved a net compound annual return of 14.52% or a 101.05% 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 surging metallurgical coal prices via its investment in Stanmore Resources, which produces mid-spec coking coal products (primarily PCI & SSCC) from its assets which were acquired in recent years off BHP. Coal producers, both metallurgical and thermal, remain extraordinarily cheap on a historical basis, despite a softer commodity price environment relative to last year. We expect that heavily cash generative, US dollar earning assets will perform well in the uncertain times that lie ahead. We hold a portion of the portfolio in cheap energy names.

One of our small undisclosed positions was bid for via a scheme of arrangement for a 50% premium to its undisturbed value; clearly demonstrating that if public market investors do not recognise the value latent on offer, then others certainly will!

Small cap sentiment remains extraordinarily low along with limited market liquidity and modest valuations. The Fund holds select exposure to a range of prospective small cap holdings that we expect will potentially provide near and medium-term value uplifts.

Against this backdrop, the Datt Small Companies Fund has been launched in October to capture the potential attractive returns on offer, providing pure equity exposure to this thematic. The Small Companies Fund, going forward, will report via a separate investor letter.

**We thank the investors that have followed through on their commitments to date.**

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

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## 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>
<b>FY24</b>	2.11%	-1.43%	-1.07%										<b>-0.43%</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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