

# Datt Capital Absolute Return Fund

APIR FHT3309AU

**DATT**  
CAPITAL

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

## INVESTMENT UPDATE – JANUARY 2024

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>\$1.0611</b>	<b>15.27%</b>	<b>118.11%</b>	<b>Open</b>

## INVESTMENT PERFORMANCE

	Since Inception per annum	5 year per annum	3 year per annum	1 year	3 month	1 month
<b>Datt Absolute Return Fund</b>	<b>15.27%</b>	<b>15.82%</b>	<b>13.25%</b>	<b>6.42%</b>	<b>3.89%</b>	<b>-6.48%</b>
Benchmark	6.60%	6.59%	7.10%	9.38%	2.38%	0.79%
Value Add (net)	8.67%	9.23%	6.15%	-2.96%	1.51%	-7.27%

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 December 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	Undisclosed	
Min. Investment	\$100,000 (unless otherwise agreed)	WA1 Resources (WA1)	
Management Fee (p.a.)	1.025%	Yancoal (YAL)	
Performance Fee (p.a.)	20.5% > benchmark		
Benchmark	RBA rate + 5%		
Fund Administrator	Fundhost	<b>Portfolio Analytics<sup>1</sup></b>	
Auditor	Ernst & Young	Sortino Ratio	1.22
Custodian/PB	NAB Asset Services	Sharpe Ratio	0.77
Trustee	Fundhost	Standard Deviation	19.12%

<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 January, the Fund delivered a net return of -6.48% for our investors. Since inception, we have achieved a net compound annual return of 15.27% or 118.11% on a net cumulative return basis.

The one of the two main detractors from January's portfolio performance was a circa 20% pullback in December's winner, WA1 Resources which conducted a capital raise at \$10 a share. This puts the company in a very strong position for this calendar year with \$56 million in cash on hand. This provides an estimated runway of around 2 years, and we expect significant value accretion to occur this year as the company increases certainty around the commercialisation of the Luni project.

The second main detractor was a portfolio of lithium exposures, which included a range of projects sitting higher on the cost curve. With the ongoing, significant downturn in the lithium market exacerbated even more so during January, we exited all lithium positions at a loss.

We also took the opportunity to remove marginal, lower conviction positions from the portfolio; providing us with a clean slate to start the year and in time for reporting season in February.

We added to our position in Yancoal which we anticipate will be in a very strong position to distribute excess returns to shareholders especially given its lack of leverage, the cyclical low in the coal markets and the enormous, profitable cashflows it generates from its large scale mines.

We remain very much enthused by the opportunity set going into the new calendar year. Whilst we anticipate and are prepared for more volatile times ahead, we believe we have exposure to a range of exciting companies which have the potential to provide strong idiosyncratic returns.

We continue to build positions in select sectors and opportunities where significant strategic, latent value and optionality exists. We continue to see elevated levels of corporate activity and restructuring on listed markets and expect this dynamic to continue this calendar year.

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%	4.43%	3.41%	7.42%	-6.48%						<b>8.02%</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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