

Datt Capital Absolute Return Fund

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DATT
CAPITAL

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

INVESTMENT UPDATE – NOVEMBER 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
\$1.3360	17.34%	174.62%	Open

INVESTMENT PERFORMANCE

	Since Inception per annum	5 year per annum	3 year per annum	1 year	3 month	1 month
Datt Absolute Return Fund	17.34%	19.43%	22.40%	26.49%	2.19%	3.25%
Benchmark	7.01%	7.16%	8.36%	9.79%	2.35%	0.77%
Value Add (net)	10.33%	12.27%	14.04%	16.70%	-0.16%	2.48%

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 November end.	
Investment Objective	To achieve absolute double digit returns over 2-year periods	Alcoa (AAI)	
Min. Investment	\$100,000 (unless otherwise agreed)	Steadfast Group (SDF)	
Management Fee (p.a.)	1.025%	WA1 Resources (WA1)	
Performance Fee (p.a.)	20.5% > benchmark		
Benchmark	RBA rate + 5%		
Fund Administrator	Fundhost		
Auditor	Ernst & Young		
Custodian/PB	HSBC		
Trustee	Fundhost		
		Portfolio Analytics¹	
		Sortino Ratio	1.38
		Sharpe Ratio	0.83
		Standard Deviation	19.32%

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

COMMENTARY

For November, the Fund delivered a net return of 3.25% for our investors. Since inception, we have achieved a net compound annual return of 17.34% or 174.62% on a net cumulative basis.

The Fund's portfolio was positive over the month largely due to core position, Selfwealth (SWF.AX), entering a scheme implementation deed with Bell Financial Group to be acquired for 25c a share; a premium of 108% to its undisturbed market price. This is a great outcome and consistent with our thesis of consolidation amongst financial services related technology companies. We believe the transaction represents an excellent outcome for both parties and may be significantly value accretive on a consolidated basis.

The Fund took a position in a global, vertically integrated aluminium producer in Alcoa (AAI) following amendments in Chinese VAT refund policies for exporters of certain finished physical goods. The effect of these changes raises the cost price of export focused, Chinese aluminium products levelling the playing field for ex-Chinese producers over time. We expect Alcoa to benefit significantly from these changes over time and are attracted by its relatively modest valuation metrics. Accordingly, there is the potential to benefit from both earnings tailwinds and multiple expansion; a highly attractive scenario.

Broader markets remain stable and we continue to actively manage the portfolio with the markets continuing to throw up a plethora of opportunities for long-term investors.

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%	3.41%	7.42%	-6.48%	5.31%	-1.64%	14.18%	10.28%	-1.73%	38.45%
FY25	-5.71	1.96%	-3.44%	2.50%	3.25%								-1.76%

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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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