

Datt Capital Absolute Return Fund

APIR FHT3309AU

DATT
CAPITAL

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

INVESTMENT UPDATE – DECEMBER 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
\$1.2445	15.80%	155.81%	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	15.80%	17.55%	16.01%	9.69%	-1.42%	-6.85%
Benchmark	7.05%	7.22%	8.49%	9.79%	2.38%	0.79%
Value Add (net)	8.75%	10.33%	7.52%	-0.10%	-3.80%	-7.64%

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 December end.	
Investment Objective	To achieve absolute double digit returns over 2-year periods	Selfwealth (SWF)	
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	1.22
		Sharpe Ratio	0.76
		Standard Deviation	19.48%

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

COMMENTARY

For December, the Fund delivered a net return of -6.85% for our investors. Since inception, we have achieved a net compound annual return of 15.80% or 155.81% on a net cumulative basis.

The Fund experienced a negative month due to the closure of two special situation positions and volatility in core, long-term portfolio positions discussed further below.

Last month, the Fund disclosed it had taken a position in Alcoa following amendments in Chinese VAT refund policies which we discussed briefly last month. Whilst in theory the thesis was fundamentally sound, it became apparent that a level of substitution existed amongst a reasonable cohort of goods especially in a world presently awash with cheap steel. We exited our overweight position at a loss.

The fund also exited its position in Mineral Resources at a loss, following weaker than expected data for steel and battery demand. In addition, we observed the announcement of the unwinding of net zero ideologies by several companies. We believe that this represents a weakening outlook for Australian bulk commodities such as iron ore and speciality products such as lithium going forward; whilst creating opportunities in other segments of the market.

Finally the volatility in long-term, core positions most prominently, WA1 Resources and Clarity Pharmaceuticals detracted from December's returns. Volatility comes with high growth, and both companies continue their sound progress fundamentally.

Whilst this month has been humbling in terms of performance, we remain laser focused on attempting to meet our objectives for the financial year. We hold several high-return potential positions within the portfolio and anticipate a range of catalysts to evolve for these positions over the coming six months.

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%	-6.85%							-8.49%

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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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