

Datt Capital Absolute Return Fund

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DATT
CAPITAL

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

INVESTMENT UPDATE – MARCH 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
\$1.0991	15.51%	125.92%	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	15.51%	16.08%	13.60%	20.67%	-3.13%	-1.64%
Benchmark	6.69%	6.69%	7.35%	9.56%	2.35%	0.79%
Value Add (net)	8.82%	9.39%	6.25%	11.11%	-5.48%	-2.43%

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 March end.	
Investment Objective	To achieve absolute double digit returns over 2-year periods	Jupiter Mines (JMS)	
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	Portfolio Analytics¹	
Benchmark	RBA rate + 5%	Sortino Ratio	1.24
Fund Administrator	Fundhost	Sharpe Ratio	0.78
Auditor	Ernst & Young	Standard Deviation	18.95%
Custodian/PB	NAB Asset Services		
Trustee	Fundhost		

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

COMMENTARY

For the month of March, the Fund delivered a net return of -1.64% for our investors. Since inception, we have achieved a net compound annual return of 15.51% or 125.92% on a net cumulative return basis.

The Fund's portfolio was reorientated with reductions in our exposure to preferred names in energy and insurance; and an increased allocation to pharmaceuticals and materials.

Notably the Fund took a position in Jupiter Mines ('JMS'), a company that owns the majority stake in a globally significant, long-life manganese mine, Tsipi, located in South Africa. Manganese is used primarily in steel production and markets have been subdued for some years. Despite the soft manganese prices, Tsipi has produced profitably with its costs in the lowest quartile of the industry cost curve whilst selling a lower specification (37%) manganese product.

The catalyst for our entry into this investment, was the interruption of production at one of the world's premier manganese mines, GEMCO, owned by South32 and Anglo-American. This mine produces almost 50% of global high specification (44%) manganese ore; or circa 12% of the global manganese supply. Cyclone Megan damaged the shipping infrastructure of GEMCO's operations and we believe that this production will be offline for an extended period given the remote location, insurance negotiations and reinstatement studies.

Global manganese stockpiles are ~2 months of demand and we believe that we are in a situation where time works in our favour. We expect manganese prices to increase materially in the coming months and believe JMS are perfectly poised to benefit from expected stronger pricing going forward.

JMS' stock price has appreciated considerably in the month of April, and we have also noted that Chinese manganese ore port prices have strengthened by some margin.

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 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%				11.89%

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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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