



## Media Release

8 Sept 2020

### Active investing a clear winner during uncertain economic period

Active investing matters more than ever today.

Emanuel Datt, Managing Director and Chief Investment Officer of boutique investment firm Datt Capital notes: "Passive or index strategies work well in bull markets, and the opposite is the case in bearish or choppy markets.

"The current 'new normal' of investing has brought active investing back in focus.

"The Covid-19 pandemic has pulled the reins on economic activity and impacted performance of financial markets. When markets become volatile, the agility and flexibility of active management can become a competitive advantage. In this scenario active managers can, no doubt, accentuate the returns of a passive portfolios whilst reducing risk."

Datt says: "Active investing has benefited us in the recent market correction. As active managers, we believe utilising a multi-asset investment approach reduces downside risk and volatility in returns.

"As a result, we have frequently made discretionary investment decisions for the benefit of our fund's performance, ultimately supporting investors in the Datt Capital Absolute Return Fund. We reduced market exposure as the markets trended down, whilst increasing exposure at a time when prices were opportune. Accordingly, we realised less market downside, capturing more than the market's upside."

For August, the Datt Capital Absolute Return Fund provided a net return of +11.82%.

The Fund has achieved a 12-month rolling return of +41.41% vs a fall of -5.08% for the ASX 200 Total Return Index over the same period; outperforming by +46.49%.

There are many drivers behind this strong appreciation, notes Datt.

"The Fund performed well in August benefitting again from its exposure towards precious metals, with gold remaining stable at almost record high prices and silver appreciating significantly during the month.

"We took the opportunity to de-risk our portfolio by cutting back on non-core equity positions.

"The market has risen steadily since the lows in March. The upcoming US elections in November will no doubt bring fresh volatility to markets for which we are well prepared to take advantage of," said Datt.

The Asset Allocation for the Datt Capital Absolute Return Fund at August month end was:

**CRE debt - 24%**

**Equities - 61%**

**Cash - 15%**

-ends-

### **About Datt Capital**

Founded in 2007, Datt Capital is a Melbourne-based Australian focused Long-only Fund Manager. Datt Capital is focused on generating alpha by structuring its portfolio in a unique and uncorrelated manner, across asset classes. Its investments consist primarily of listed equity, debt and derivatives solely in Australian markets.

The Datt Capital Absolute Return Fund aims to generate annual double-digit absolute returns over a rolling two-year period. It is benchmarked as seeking 5% above the Reserve Bank of Australia (RBA) cash rate.

Visit website: <https://www.datt.com.au/>

Follow on LinkedIn: <https://www.linkedin.com/company/datt-capital/>

For more information please contact  
Simrita Virk at Shed Connect  
E: [simrita.virk@shedconnect.com](mailto:simrita.virk@shedconnect.com)