

14 September 2020

Dear Investor,

WATERMARK MARKET NEUTRAL TRUST (THE “FUND”) – ARSN 603 495 692; APIR WNF0001AU – CHANGE OF INVESTMENT MANAGER

We are writing to inform you of some changes to the above Fund following notification received from Watermark Funds Management, the investment manager of the Fund, that they have agreed to retire as the investment manager effective on or around 16 October 2020.

New Investment Manager

Equity Trustees as the Responsible Entity of the Fund is pleased to announce a replacement manager, Mantis Funds Pty Ltd ACN 640 207 021 (“Mantis”) effective on or around 16 October 2020. At the same time, Dalton Street Capital Pty Ltd (“Dalton”) an affiliate of Mantis will become the sub-investment manager of the Fund. The Fund will be renamed the Dalton Street Market Neutral Trust.

The new setup will provide a robust framework within which to meet the Fund’s investment objectives and grow Fund assets. Dalton are a specialist absolute return manager established in 2015. They apply systematic investment strategies and risk control to deliver absolute returns with low correlation to traditional asset classes. Mantis are a recently established multi-boutique platform who specialise in leveraging technology to support efficient operations and distribution for emerging alternative managers.

There will be no changes to the Fund’s investment strategy or external service providers. In order to align the new Investment Manager to performance, the high-water mark of the Fund will be reset.

Please see below summary of changes:

FUND CHANGES	On or around 16 October 2020	Previous
FUND NAME	Dalton Street Market Neutral Trust	Watermark Market Neutral Trust
INVESTMENT MANAGER	Mantis Funds Pty Ltd	Watermark Funds Management
SUB-INVESTMENT MANAGER	Dalton Street Capital Pty Ltd	None
OFFER DOCUMENT	Long form Product Disclosure Statement	Long form Product Disclosure Statement
WEBSITE FOR FURTHER INFORMATION	www.daltonstreetcapital.com	www.wfunds.com.au

Product Disclosure Statement (‘PDS’)

An updated PDS will be available on EQT’s website <https://www.eqt.com.au/corporates-and-fund-managers/fund-managers/institutional-funds> on or around 16 October 2020.



We thank you for your investment and continued support of the Fund.

If you have any queries please contact Damien Hatfield, Head of Distribution – Mantis Funds (damien.hatfield@mantisfunds.com or +61 400 560 240).

Yours sincerely,

Russell Beasley
Executive General Manager,
Corporate Trustee Services, Australia



14 September 2020

Dear Investor,

Introducing Dalton Street Capital as the new managers of the Watermark Market Neutral Trust (the “Fund”)

As outlined in the attached unitholder notice, effective on or around 16 October 2020, Dalton Street Capital Pty Ltd (“Dalton”) will replace Watermark as manager of the Fund supported by Mantis Funds Pty Ltd (“Mantis”). We would like to take this opportunity to introduce you to Dalton and Mantis formally and address some questions you might have.

Who is Dalton Street Capital?

Launched in 2016, Dalton are an absolute return manager who are experts at applying modern scientific and systematic methods to constructing funds which exhibit strong performance and low correlation to traditional equity classes over the long-term. Dalton’s team, led by portfolio managers Rhett Dinsdale and Aji Mathews, have extensive experience in market neutral investing in Australian equities and currently manage the Dalton Street capital Absolute Return Fund. Dalton is a joint venture between its management team and Mantis.

What is going to change?

Once the transition is completed, Dalton will have day to day responsibility for managing the Fund while Mantis will provide operational support and client service. All the key fund infrastructure providers such as responsible entity, auditor, fund administrator and custodians will remain the same. None of the key risk and investment strategy parameters will change (for example, investable universe, leverage and anticipated volatility). Within the existing risk framework, Dalton will apply its own stock selection methodology which is rooted in systematic and scientific analysis. The Dalton team will continue to aim to deliver consistent positive rates of return with relatively low volatility, whilst maintaining little or no net exposure to the underlying equity market for the Fund.

What do I need to do?

Right now, you do not need to do anything. The Fund remains open for business and we have been working with all key stakeholders to ensure a smooth transition of management. We will be in touch over the coming weeks to introduce ourselves and outline in detail our plans for improving performance of the Fund.

Who is Mantis Funds?

Mantis are a newly launched multi-boutique fund platform that provides services to boutique fund partners such as Dalton. As specialists in fund marketing, distribution and operations we allow our fund management partners to focus solely on delivering performance for their investors. Our platform has invested heavily in new technology to transform the way that fund managers can connect with their end clients. Mantis is majority

owned by its management team who are made up of some of Australia's most experienced alternative asset industry professionals.

For more information please contact Damien Hatfield, Mantis Fund's Head of Distribution, via e-mail (damien.hatfield@mantisfunds.com) or at 0400 560 240. You can also visit www.daltonstreetcapital.com and www.mantisfunds.com.

Yours sincerely,



Rhett Dinsdale

Partner and Portfolio Manager

Dalton Street Capital Pty Ltd



Timothy Cheung

Chief Executive Officer

Mantis Funds Pty Ltd