

AS AT 31 MAY 2021

DALTON STREET CAPITAL

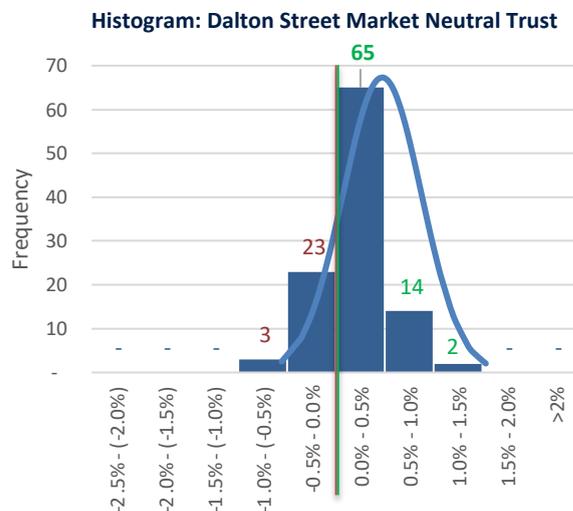
Dalton Street Market Neutral Trust

Dalton Street Capital is a boutique investment manager founded in November 2015. We actively manage investment portfolios for a range of clients which include self-managed super funds, endowments and foundation plans for institutional and retail investors.

Our team consists of investment professionals with deep local and global equity market expertise in corporate events, derivatives and leveraged fund management knowledge. Active overall risk management is also an integral part of the investment management process.

A market neutral trust aims to deliver non-market, uncorrelated and asymmetric absolute return, with a suite of broad range alternative investment strategies. These diverse strategies are skill-based and run on a hedged basis with both low volatility and correlation compared to traditional and alternative asset classes. It also provides investors with diversifying sources of alpha which may help to reduce a portfolio's overall volatility as well as improve returns.

In simple terms, by holding a diversified pool of alternative strategies, our explicit protection strategy is enhanced, particularly during periods of heightened market volatility and stress. Our specialist team have a successful track record in producing positive returns during major market dislocations.



Daily Gross Unaudited Returns 1 January to 31 May 2021

| Net Investment Performance %* | | | | | | |
|------------------------------------|------|------|-------|-----|-------|-------|
| | 1M | 3M | 6M | 1YR | FY21 | CYTD |
| Dalton Street Market Neutral Trust | 2.51 | 7.80 | 12.06 | - | 11.62 | 11.41 |
| RBA Cash Rate | 0.01 | 0.02 | 0.05 | - | 0.07 | 0.04 |
| Excess Returns | 2.50 | 7.78 | 12.01 | - | 11.55 | 11.37 |

*Net performance shown is after deduction of all fees and costs. Dalton Street took over the Fund from 18 October 2020 and actively managed it from 1 January 2021. Compounded net return since inception. Past performance is not a reliable indicator of future performance.

| Fund Facts | |
|---------------------------|---|
| Responsible Entity | Equity Trustees Limited |
| Portfolio Manager | Dalton Street Capital |
| Investment Manager | Mantis Funds |
| Sales & Marketing Manager | Mantis Funds |
| Strategy Inception date* | October 2020 |
| APIR | WMF0001AU |
| Base currency | Australian Dollars |
| Management fee | 1.53% pa of the NAV |
| Performance fee | 20.5% pa [^] |
| Investment minimum | AUD 50,000 |
| Buy/sell spread | 0.30% |
| Liquidity | Daily |
| Benchmark | RBA Cash Rate |
| Platforms | Netwealth, BT, Asgard, Macquarie, HUB24 |

[^]20.5% p.a. (including GST net of RITC) of the increase in NAV which exceeds the benchmark, subject to a high-watermark.

| Risk Metrics | |
|--------------------------|--------|
| Number of Holdings | 61 |
| Standard Deviation | 5.7% |
| Sharpe Ratio | 3.6 |
| Risk Reward Ratio | 9.7 |
| Daily Alpha Contribution | 0.17% |
| Correlation | 0.19 |
| Beta | 0.09 |
| Best Daily Performance | +1.13% |
| Worst Daily Performance | -0.75% |
| Max Drawdown (Daily) | -1.36% |
| Win/Loss Ratio | 73% |
| Sortino Ratio | 7.6 |
| Calmar Ratio | 14.9 |
| Gross Exposure | 192.0% |

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Market Commentary

The event-driven strategy aims to exploit pricing inefficiencies around corporate activity, in particular M&A events. In May, the Fund has delivered a net performance of +2.51% which was generated across a range of strategies. Particularly in the M&A space, we saw a continuation of multiple competitive bidding situations as well as crystallization of M&A deal spreads from completed transactions.

The landscape remains buoyant with global M&A activity hitting a record high for the 3rd month in May. According to Refinitiv data, the total value of pending and completed deals announced during January to May this year reached an all time record of US\$2.4 trillion. Interestingly, the Australian share market posted its second biggest drawdown of -3.4% in May, which has tested the resilience of the Fund. The Fund delivered positive incremental returns from 17 out of 21 trading days in May. Overall gross exposure increased to 192% and we are finding enough new opportunities to continually replenish the book in an extremely healthy event landscape.

The bulk of this month return can be attributed to counterbids and revised offers in Australia and Japan. The Fund currently holds positions in Vitalharvest Freehold Trust (VTH AU), Mainstream (MAI AU) and Invesco Office J-REIT (3298 JP). The bidding for VTH AU has been going on since February when Macquarie Infrastructure and Real Assets (MIRA) placed a first bid of A\$1.00 per unit and as of month-end, VTH received its 8th offer proposal, where the counter offeror Roc Partners was ahead in the race with a bid of A\$1.29 per unit. At the time of writing, VTH has received its 9th revised proposal from MIRA at A\$1.295. The alpha in this trade remains intact and the final winner of the bidding contest is currently not known.

Historically in Australia, there is a 40% probability of an increase in the offer considerations across all live M&A deal transactions. Such situations that are currently in the book include Mainstream (MAI AU), and McPherson (MCP AU). In summary, initially there was a binding scheme implementation agreement from Vistra at A\$1.20 per share. Then a superior proposal emerged from SS&C Technologies for A\$2.00 per share. In late April we have seen another interloper bid at A\$2.20 which prompted SS&C increase their bid to A\$2.25 and the MAI board decided to go with SS&C's bid. Then Apex offered a bid of A\$2.35, which led SS&C to matched. The latest bid is A\$2.76 from SS&C which is 130% higher than the first bid. Even though the hostile low ball on-market takeover offer for MCP from Gallin at A\$1.34 has lapsed, MCP has received a non-binding offer from Arrotex at A\$1.60. We are hopeful that access to Due Diligence is granted whilst anticipating a binding deal, as MCP sits on a healthy A\$0.15 of franking credit.

In Japan, Starwood bumped its TOB price for Invesco Office J-REIT (3298 JP) to JPY 22,500 from initially JPY 20,000. The new takeout price is the same price as parent company Invesco Real Estate non-binding TOB proposal. Starwood also dropped its minimum acceptances from 55.27% to 50%. We used this bidding tension to de-risk our position locking in gains of >15%.

The Fund continues to find and implement very attractive risk/return opportunities, and with an asymmetric return philosophy in mind which is very resilient towards broader market gyrations.

Contributors to Return (Basis Points)[†]

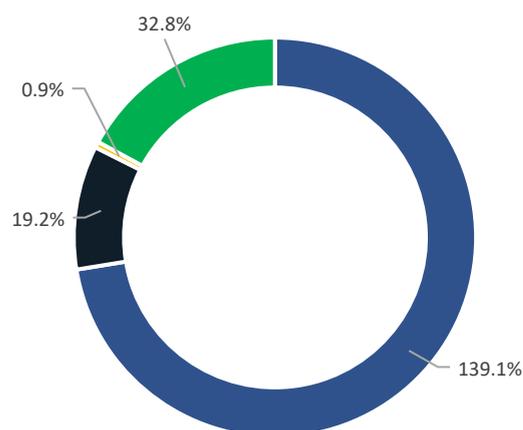
| TOP 2 | |
|-------------------------------------|-----|
| Vitalharvest Freehold Trust (+3.2%) | 65 |
| Invesco Office J-REIT (+11.6%) | 41 |
| BOTTOM 2 | |
| Galilee Energy (-11.1%) | -9 |
| McPherson (-4.5%) | -11 |

Team Members Experience

| INVESTMENT TEAM | DSC | INDUSTRY |
|--------------------------------|-----|----------|
| Antonio Meroni (PM) | 1 | 29 |
| Rhett Dinsdale (PM) | 3 | 17 |
| Aji Mathews (PM) | 4 | 12 |
| BUSINESS TEAM | | |
| David Gray (COO) | 1 | 35 |
| Damien Hatfield (Distribution) | 1 | 40+ |
| Paul Jacobs (BDM) | 1 | 40 |
| Timothy Cheung (Director) | 1 | 18 |

Gross Exposure By Strategy

■ Events (Risk Arb) ■ Alpha ■ Volatility ■ Relative Value



Enquires

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[†]Preliminary. Dalton Street started managing this fund as of 18 October 2020.