

Dalton Street Market Neutral Trust

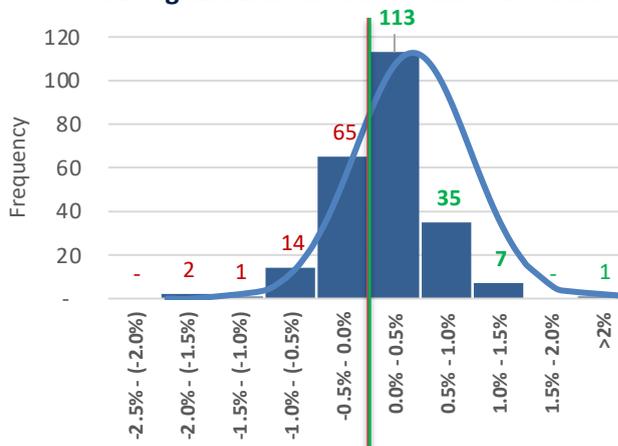
Dalton Street Capital is a boutique investment manager and re-launched the MNT Fund in November 2020. We actively manage investment portfolios for a range of clients which include self-managed super funds, endowments and foundation plans for institutional and retail investors.

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.

Histogram: Dalton Street Market Neutral Trust



Daily Gross Unaudited Returns: 1 January to 30 November 2021

Net Investment Performance %*

	1M	3M	6M	FYTD	CYTD	1YR	SI
Dalton Street Market Neutral Trust	0.85	6.65	9.48	10.11	21.97	22.68	22.20
RBA Cash Rate	0.01	0.02	0.05	0.04	0.09	0.10	0.12
Excess Returns	0.84	6.62	9.43	10.07	21.88	22.58	22.08

*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. For the purposes of Net Investment Performance, the NAV for 30 November has been estimated.

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	93
Standard Deviation	7.8%
Sharpe Ratio	4.7
Risk Reward Ratio p.a.	5.1
Daily Alpha Contribution	0.13%
Correlation	0.34
Beta	0.23
Best Daily Performance	+2.24%
Worst Daily Performance	-1.99%
Max Drawdown (Daily)	-3.3%
Win/Loss Ratio	66%
Sortino Ratio	7.9
Calmar Ratio	11.1
Gross Exposure	254.6

DISCLAIMER: Equity Trustees Limited ("EQT") (ABN 46 004 031 298 AFSL 240975) is the Responsible Entity for the Dalton Street Market Neutral Trust. The material contained in this communication (and all its attachments) is general information only and has been prepared by Dalton Street Capital Pty Ltd ("Dalton Street"), a Corporate Authorised Representative of Boutique Capital Limited ("Boutique"), AFSL 508011. It is not intended to take the place of professional advice and you should not act on any information made in this communication without first consulting your investment advisor in order to ascertain whether the information is appropriate, having regard to your investment objectives, financial situation and particular needs. Nothing in this communication shall be construed as a solicitation to buy or sell a security or to engage in or refrain from engaging in any transaction. Dalton Street believes that the information contained herein is correct at the time of compilation. However, Dalton Street, Mantis Funds, Boutique and EQT provide no representation or warranty that it is accurate, complete, reliable or up to date, nor does Dalton Street, Mantis Funds, Boutique or EQT accept any obligation to correct or update the opinions (if any) in it. The opinions (if any) expressed are subject to change without notice. Dalton Street, Mantis Funds, Boutique and EQT do not accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of the material contained in this communication. This communication may refer to the past performance of a person, entity or financial product. Past performance is not a reliable indicator of future performance. Investors should obtain the relevant product disclosure statement and consider it before making any decision to invest.

Market Commentary

The event-driven strategy aims to exploit pricing inefficiencies around corporate activity, in particular M&A events. For the third consecutive month the Australian share market recorded a decline, namely of -0.93%, while the MSCI Asia Pacific Index showed an even bigger loss of -3.77%. We are pleased to report a back-to-back positive estimated net performance of +0.85% for the month of November. This result came against a backdrop of global developed equity markets weakness, as market participants digested the Omicron variant of COVID-19, impacting global growth prospects. It is pleasing to note the uncorrelated nature of the strategy in these circumstances, which brings our Calendar Year return to net positive 21.97%. The Fund averaged a daily Alpha contribution of 13 basis points for the year.

Overall Fund gross exposure ended at 254%, with Events (Risk Arb) bucket upped to 138% from 121%. We have increased this bucket as we experienced a continuation of elevated M&A deal activity with four Australian M&A deals announced in the first two trading days in November. Due to the overall market weakness, we have tactically increased the allocation in the Volatility bucket to hedge out the systematic risk exposure pertaining to our M&A positions. This is achieved to cushion the Fund from potential unrealized losses due to M&A deal spread widening as Market Adverse Clauses (MAC) can be triggered. Our long CBOE Volatility Index (VIX) Futures position posted a gain of 26%, with spot market volatility recording its largest monthly surge of 67% since February 2020. The Fund benefitted 42 basis points from this form of protection.

The M&A deal space could not be any better with record deal counts across Australia, competitive deal situations that lead to higher valuations outcomes for shareholders, relatively high completion rates, hostility and activism that lead to multiple deal bumps. And the good news is there are

no signs that it will slow down leading into the new year, therefore underpinning our asymmetric return expectations. Even in Singapore we have seen a competitive deal in Singapore Press Holdings (SPH SP). SPH announced that it has entered into a scheme implementation agreement with Cuscaden (competing offeror) where Cuscaden will acquire all SPH shares at either a) S\$2.36/sh in cash, or b) S\$1.602/sh in cash + 0.782x SPHREIT = S\$2.40/sh consideration. SPH has declared that Cuscaden's offer to be superior to Keppel's (KEP SP; first offeror) initial S\$2.10 offer which was also bumped by 9.3%.

In the Relative Value bucket, our winning position was Emerald Resources (EMR AU) +10.4% hedged with Newcrest Mining (NCM AU) -5.1%. EMR remains one of the sector's cheapest gold producer with an EV/EBITDA valuation of just 2.8x. As a comparison, NCM trades at 6.5x valuation multiple.

The Alpha strategy also delivered a positive contribution this month, led by discretionary trading opportunities in Hong Kong and Australia. We have used the heightened volatility in the battered real estate sector to benefit from China Evergrande New Energy (708 HK) +30.4% as the parent company was able to pay its coupon on their outstanding bonds amidst continued restructuring efforts to sell their stake in HengTen to avoid default. Our existing position in Altium (ALU AU) +15% is on track to achieve its guided upper range of revenue growth 16-20%, with underlying EBITDA margin of 34-36%. A potential catalyst remains Autodesk (ADSK US) failed takeover attempt to acquire ALU at A\$38.50 in July to come back with a higher offer following the guidance upgrade.

The Fund continues to find and implement very attractive risk/return opportunities, and with an asymmetric return philosophy in mind is very much resilient towards broader market gyrations. Thank you for your continued support.

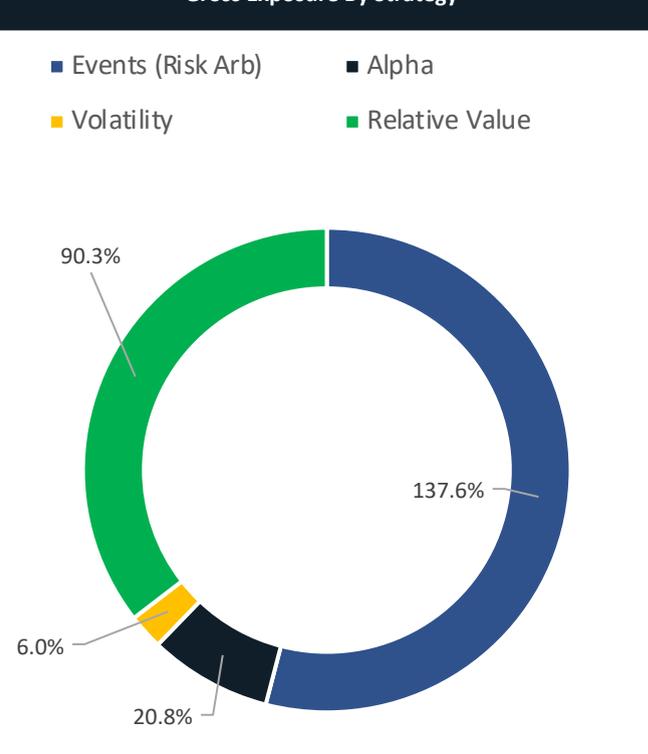
Contributors to Return (Basis Points)[†]

TOP 2	
CBOE VIX Future Dec 21 (+22%)	42
China Evergrande New Energy (+30.3%)	39
BOTTOM 2	
Prime Media (3.5%)	-13
Gascoyne Resources (-20%)	-21

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



Enquiries

Dalton Street Capital
Level 1, 131 Clarence Street
Sydney NSW 2000, Australia
www.daltonstreetcapital.com

Damien Hatfield
M. +61 400 560 240
damien.hatfield@mantisfunds.com
dmtntclient@mantisfunds.com

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