

AS AT 30 SEPTEMBER 2022

DALTON STREET CAPITAL

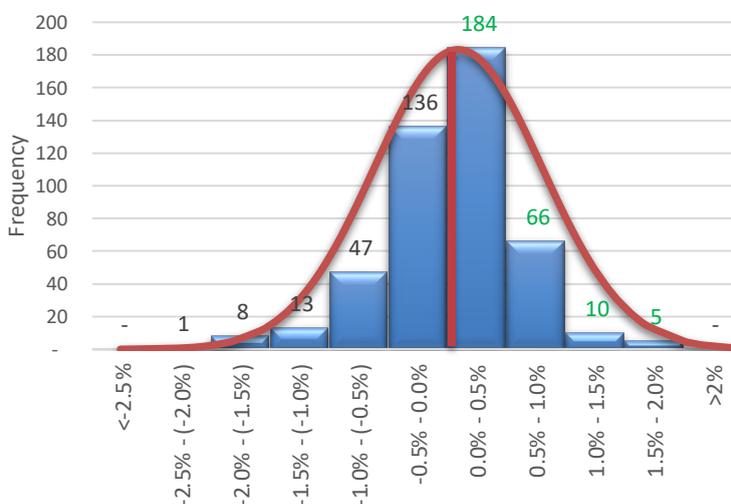
Dalton Street Market Neutral Trust

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.

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 Net Audited Returns: 1 January 2021 to 30 September 2022

Net Investment Performance %*

	1M	3M	6M	1YR	CYTD	FYTD	SI
Dalton Street Market Neutral Trust	-8.84%	-5.09%	-9.68%	-2.39%	-7.35%	-5.09%	15.33%
RBA Cash Rate	0.19%	0.33%	0.37%	0.42%	0.39%	0.33%	0.52%
Excess Returns	-9.03%	-5.42%	-10.05%	-2.80%	-7.75%	-5.42%	14.81%

*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

Risk Metrics

Number of Holdings	87
Standard Deviation)*	8.4%
Sharpe Ratio)*	0.61
Risk Reward Ratio p.a.)*	0.83
Daily Alpha Contribution Net	0.05%
Correlation	0.48
Beta	0.34
Best Daily Performance net	+1.95%
Worst Daily Performance net	-2.3%
Max Drawdown)*	-11%
Win/Loss Ratio)*	66.7%
Sortino Ratio)*	2.2
Gross Exposure	213.7
Fund FUM in A\$	2720k

)* monthly observation

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

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Market Commentary

The event-driven strategy aims to exploit pricing inefficiencies around corporate activity, in particular M&A events. The month of September saw world equity markets plummet with the Australian Share market (ASX 200) falling -7.3%, and the MSCI Asia Pacific -12.4%. Against this backdrop the Fund's net performance came in at -8.8% for the month of September and the portfolio was not immune to withstand the pressure on general M&A deal spread widening risk that drove market-to-market losses, existing M&A deals falling over, temporary Beta dislocation against our hedges (particularly on the short side) as well as some of our direction Alpha trades falling by more than the market. The negative market sentiment in the USA continues to spill around our region, as fears surrounding the rise in inflationary pressures, hawkish commentary from the US Federal Reserve back, saw the US equity markets experience their worst September month since 2008. For the Calendar Year the S&P 500 is now -25%. We are disappointed that for this month the Fund underdelivered on the promise of delivering Alpha returns, but it was owing to very unusual black swan events particularly in some of our M&A positions that experienced 7 deal breaks during the month.

Overall Fund gross exposure ended at 214% vs 219% the previous month, with the Event (M&A Risk Arb) bucket at 87%, the Relative Value bucket at 106% and the directional Alpha at 20%. The M&A bucket, which include unannounced M&A deal transactions, Stake building exercises as well as Capital Return trades contributed -2.6% towards overall performance. High profile deal breaks in Australia were Ramsay Healthcare (RHC AU) as well as Link Group (LNK AU). We have kept a small position in RHC as rumours emerged that the bidding entity KKR consortium had called off their takeover talks. However, KKR continued to commit to the cash/scrip proposal until on September 26th both RHC and KKR agreed to mutually terminate discussions. As for LNK, one of the last remaining condition, namely the FCA approval, was not fulfilled as the FCA proposed a A\$516m redress payment for legacy issues. As LNK did not make any provisions in their balance sheet, and was completely

ignored by market participants, this material payment effectively killed any chance that the deal with Dye and Durham would complete.

Since May, Infomedia Ltd (IFM AU) was subject to a non-binding, indicative offers (NBIO) from TA Associates offering A\$1.70 per share. TA associates also became a substantial shareholder after acquiring a 14.5% stake. Since then, IFM received further NBIOs from Battery Ventures at A\$1.75 as well as Solera offering A\$1.70. However, by end of September none of those NBIOs translated into a transaction on agreeable terms. In Singapore Frasers Hospitality Trust (FHT SP) scheme of arrangement has failed after the vote was not approved at the scheme meeting. There were 74.88% "Yes" votes, which was below the 75% threshold. We consider this to be a black swan event as bankers, lawyers etc to the transactions failed to encourage the small many minority shareholders to vote. It is very unusual for a high-quality deal to break given the large 55% premium offered. In Hong Kong our tendered position in Giordano International (709 HK) unexpectedly failed as the announcement of the dividend treatment affected incentives for shareholders to tender their shares early. It was unclear if the HK\$ 8.5c dividend would be on top of the offer price of HK\$ 1.88 (price not declared final) with the hope that the Cheng Family (Offeror, 24.57% stake) further extends the first closing date 13th September for another 2 weeks. As the acceptance level of 50% was not reached by the 13th, the Offeror withdraw the voluntary general offer. This was very unusual conduct by the offeror as typically those structures are extended 2-3 times until the acceptance condition is fulfilled.

Both our Directional Alpha as well as the Relative Value positions contributed -3% each to overall performance. The main reasons were Beta dislocation particularly in our short positions, (shorts outperforming longs) as well as the small- to midcap bias towards some of our Alpha position, which are aimed to drop less than the overall market selloff, given their deep value valuation yardsticks. We thank you for your continued support

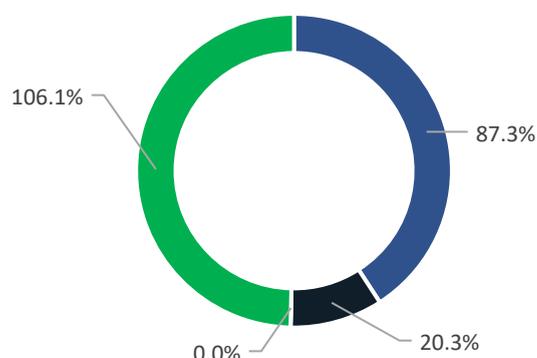
FY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total
2022/23	1.62	2.45	-8.84	-	-	-	-	-	-	-	-	-	-4.77%
2021/22	1.59	1.64	3.16	2.18	0.89	2.23	-0.94	0.65	2.86	-0.17	-1.52	-3.20	9.57%
2020/21	-	-	-	-0.07	-0.39	0.58	-0.78	4.16	0.52	4.62	2.51	10.91	10.91%

Team Members Experience

INVESTMENT TEAM	DSC	INDUSTRY
Antonio Meroni (CIO)	1	29
Anthony Ng (Risk Manager)	1	17
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



DALTON STREET CAPITAL

AS AT 30 September 2022

Enquiries

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