

MELCHIOR INVESTMENT FUNDS

Melchior

For the six months ended 31 May 2013



THEESIS UNIT TRUST MANAGEMENT LIMITED
Authorised and regulated by the Financial Conduct Authority

SERVICE PROVIDERS' DETAILS

AUTHORISED CORPORATE DIRECTOR ('ACD')

Thesis Unit Trust Management Limited

Head Office:

Exchange Building

St John's Street

Chichester

West Sussex PO19 1UP

Telephone: 01243 531234

(Authorised and regulated by the
Financial Conduct Authority)

REGISTRARS

Northern Trust Global Services Ltd

P.O. Box 3733

Royal Wootton Bassett

Swindon SN4 4BG

(Authorised and regulated by
the Financial Conduct Authority)

DIRECTORS OF THE ACD

D.W. Tyerman

S.R. Mugford

A.J Edwards

G.S. Dalton

S. Noone

A. Gilbert

INVESTMENT MANAGERS

Dalton Capital (Guernsey) Limited

Third Floor

National Westminster House

Le Truchot, St Peter Port

Guernsey GY1 1WD

(Regulated by the Guernsey Financial Services
Commission)

Dalton Capital (Guernsey) Limited has delegated day to day investment management to Dalton Strategic Partnership LLP, which is authorised and regulated by the Financial Conduct Authority. The principal activity of Dalton Strategic Partnership LLP is the provision of investment management services.

DEPOSITARY

National Westminster Bank plc

Trustee & Depositary Services

Younger Building

1st Floor

3 Redheughs Avenue

Edinburgh EH12 9RH

(Authorised and regulated by the
Financial Conduct Authority)

INDEPENDENT AUDITORS

KPMG Audit plc

15 Canada Square

London E14 5GL

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MELCHIOR UK OPPORTUNITIES FUND

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CERTIFICATION OF ACCOUNTS BY DIRECTORS OF THE ACD

In accordance with the requirements of the Open-Ended Investment Companies Regulations 2001 (the "OEIC Regulations") and the COLL Sourcebook, we hereby certify this report on behalf of the ACD, Thesis Unit Trust Management Limited.

D.W. TYERMAN

Director

S. NOONE

Director

19 July 2013

AUTHORISED STATUS

Melchior Investment Funds ('the Company') is an investment company with variable capital under regulation 12 (Authorisation) of the OEIC Regulation [Open-ended Investment Companies Regulations 2001 (SI 2001/1228)] incorporated in England and Wales under registration number IC256 and authorised by the Financial Conduct Authority with effect from 22 September 2003.

Shareholders are not liable for the debts of the Company.

As the Company is an umbrella company, each Fund has a specific segregated portfolio of assets to which any liabilities attributable or allocated to a particular Fund shall be met first out of the property attributable, or allocated to, that particular Fund. Accordingly the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly, or indirectly, the liabilities of, or claims against, any other person or body, including the Company, or any other Fund, and shall not be available for any such purpose.

AGGREGATED FINANCIAL STATEMENTS

AGGREGATED STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | 31.05.12 |
|---|-------------------|------------------|
| £ | £ | £ |
| Income | | |
| Net capital gains | 49,514,941 | 7,414,420 |
| Revenue | 1,633,478 | 3,698,338 |
| Expenses | (1,658,111) | (2,133,373) |
| Finance costs: Interest | (11,066) | (1,147,133) |
| Net expense before taxation | (35,699) | (417,832) |
| Taxation | (123,479) | (168,209) |
| Net expense after taxation | (159,178) | 249,623 |
| Total return before distributions | 49,355,763 | 7,664,623 |
| Finance costs: Distributions | (55,279) | (9,617) |
| Change in net assets attributable to shareholders from investment activities | 49,300,484 | 7,654,426 |

AGGREGATED STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | 31.05.12 |
|---|--------------------|--------------------|
| £ | £ | £ |
| Opening net assets attributable to shareholders | 184,955,838 | 210,582,468 |
| Currency translation | (8,363,168) | (364,001) |
| | 176,592,670 | 210,218,467 |
| Amounts receivable on issue of shares of share | 51,190,934 | 72,223,195 |
| Less: Amounts payable on cancellation of shares | (108,673,372) | (74,333,076) |
| | (57,482,438) | (2,109,881) |
| Dilution levy charged | 2,648 | - |
| Stamp duty reserve tax | - | (845) |
| Change in net assets attributable to shareholders (see Statement of Total Return above) | 49,300,484 | 7,654,426 |
| Retained distribution on Accumulation shares | - | 4,357 |
| Closing net assets attributable to shareholders | 168,413,364 | 215,766,524 |

AGGREGATED FINANCIAL STATEMENTS (continued)

AGGREGATED BALANCE SHEET

AS AT 31 MAY 2013

| | 31.05.13 | 30.11.12 |
|--|---------------------|--------------------|
| | £ | £ |
| ASSETS | | |
| Investment assets | 165,120,365 | 179,994,218 |
| Other assets | | |
| Debtors | 9,900,992 | 5,306,957 |
| Cash and bank balances | 5,979,688 | 7,071,647 |
| Total other assets | <u>15,880,680</u> | <u>12,378,604</u> |
| Total assets | <u>180,001,045</u> | <u>192,372,822</u> |
| LIABILITIES | | |
| Derivative liabilities | (24,649) | (7,445) |
| Other liabilities | | |
| Creditors | (11,538,507) | (5,954,198) |
| Bank overdrafts | (1,024,525) | (1,455,341) |
| Total other liabilities | <u>(12,563,032)</u> | <u>(7,409,539)</u> |
| Total liabilities | <u>(12,587,681)</u> | <u>(7,416,984)</u> |
| Net assets attributable to shareholders | <u>168,413,364</u> | <u>184,955,838</u> |

Note to the Financial Statements

The interim financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010 ("the IMA SORP 2010").

MELCHIOR ASIAN OPPORTUNITIES FUND

INVESTMENT MANAGER'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2013

Investment Objective and Policy

The investment objective of the Melchior Asian Opportunities Fund is to achieve longer term capital growth, without undue risk, through diversified investment in equities that are issued by companies that have their registered office or carry out a predominant portion of their economic activity in Asia and which are expected to benefit from the economic growth of China and its neighboring countries. The Fund may invest in other collective investment schemes and cash. There may be times in light of adverse conditions when the manager will wish to hold positions in cash or near cash instruments.

Investment Review

The Melchior Asian Opportunities Fund's USD 'B' share class rose by 13.92% between the end of November 2012 and the end of May 2013. This compares to a net return of 2.69% from the benchmark MSCI AC Far East Ex Japan Index ("MSEUCFFX").

The period under review saw very strong gains in developed equity markets, significantly outpacing both emerging equity markets and government bond markets. In sterling terms the MSCI World index posted a total return of 20% over the six months, with the MSCI Emerging Markets Index up just over 7% and the BofA Merrill Lynch Global Broad Market Bond Index up 1.6%.

Investors shrugged off the uncertainties of 2011 and 2012 and sought out the riskier areas of the equity markets, with the strongest sector returns coming in financials, consumer discretionary and health care (with bio techs doing particularly well). Small caps beat large caps for the first period in a long while, and in style terms value stocks edged ahead of growth as represented by the MSCI Indices.

At a regional level Japan was the clear winner, with both the election of Prime Minister Abe and the succession of Haruhiko Kuroda to the governorship of the Bank of Japan (BoJ) ushering in an explicit plan to reflate the Japanese economy and break the decades long grip of deflation. Both the anticipation of this policy and the announcement of new and substantial quantitative easing by the BoJ in April added rocket fuel to the stock market as the yen declined significantly versus other currencies. The TOPIX Index first section was up nearly 47% in yen over the six months, but only 27% in sterling. One strategist's rallying cry was: buy Japan, hedge the yen. By the end of May some steam was escaping this rally as the realities of sustaining a much lower yen and making structural change to the Japanese economy became clear.

Elsewhere both the United States and Europe did well for equity investors, with America enjoying the better returns for a sterling based investor. Better signs of underlying economic strength in the US, particularly in the housing market, trumped continuing concerns over the federal budget as talk of sequestration and the deficit ceiling faded from the turn of the year. Sustained QE by the Federal Reserve was cat nip for equity investors. And in Europe the ECB promise to do "whatever it takes" was taken on faith by investors despite worsening data on unemployment and real GDP – and despite the Cypriot "bail in" of depositors and bond holders. Even corruption allegations in Spain and Italian electoral uncertainty couldn't dent the market rally.

In Asia the benefit of "risk on" boosted the developing economies but was dampened by the weak performance of commodity and resource stocks in Australia – also a significant factor in the poor performance of Russia and Brazil. Concerns over slowing Chinese growth weighed somewhat on investors.

MELCHIOR ASIAN OPPORTUNITIES FUND

INVESTMENT MANAGER'S REPORT (continued)

Investment Review (continued)

Notable individual stock highlights were Sunny Optical Tech, AAC Technologies and Techtronic Industries, whilst poorly performing holdings included L'Occitane International, Shin Zu Shing and Samsung Electronics.

DALTON CAPITAL (GUERNSEY) LIMITED

Investment Manager

2 July 2013

MELCHIOR ASIAN OPPORTUNITIES FUND

COMPARATIVE TABLES

Price and Income History

USD 'A' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009 | 3.0615 | 1.4073 | - |
| 2010 | 3.5364 | 2.5057 | - |
| 2011 | 3.7357 | 2.4196 | - |
| 2012 | 3.4312 | 2.7161 | 1.434 |
| 2013* | 3.8914 | 3.4548 | - |

USD 'B' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009 | 3.1286 | 1.4338 | - |
| 2010 | 3.6376 | 2.5681 | - |
| 2011 | 3.8542 | 2.4985 | - |
| 2012 | 3.5647 | 2.8082 | 2.4831 |
| 2013* | 4.0515 | 3.5907 | - |

USD 'C' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009** | 3.0696 | 1.4065 | - |

USD 'I' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009 | 3.0789 | 1.4062 | - |
| 2010 | 3.5929 | 2.5327 | - |
| 2011 | 3.8158 | 2.4763 | - |
| 2012 | 3.5515 | 2.7871 | 5.3836 |
| 2013* | 4.0503 | 3.5929 | - |

* To 31 May 2013.

** To 30 November 2009.

The USD 'D' Accumulation share class was renamed USD 'I' Accumulation on 1 January 2013.

MELCHIOR ASIAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

GBP 'A' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 183.72 | 99.37 | - |
| 2010 | 223.03 | 170.48 | - |
| 2011 | 230.66 | 156.82 | - |
| 2012 | 212.96 | 175.42 | 0.5384 |
| 2013* | 256.61 | 214.75 | - |

GBP 'I' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 187.75 | 101.26 | - |
| 2010 | 229.14 | 174.40 | - |
| 2011 | 237.05 | 161.67 | - |
| 2012 | 221.16 | 181.28 | 1.2353 |
| 2013* | 267.99 | 223.26 | - |

GBP 'C' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 183.28 | 98.85 | - |
| 2010 | 223.43 | 170.21 | - |
| 2011 | 231.14 | 157.61 | - |
| 2012 | 213.86 | 176.49 | 1.3928 |
| 2013* | 255.06 | 216.86 | - |

* To 31 May 2013.

The GBP 'B' Accumulation share class was renamed GBP 'I' Accumulation on 1 January 2013.

MELCHIOR ASIAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

GBP 'D' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 187.00 | 100.92 | - |
| 2010 | 229.15 | 173.80 | - |
| 2011 | 237.14 | 162.29 | 0.0670 |
| 2012 | 222.18 | 182.08 | 3.0633 |
| 2013* | 264.79 | 224.86 | - |

EUR 'A' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009 | 2.0449 | 1.1168 | - |
| 2010 | 2.6188 | 1.9384 | - |
| 2011 | 2.7638 | 1.8167 | - |
| 2012 | 2.6330 | 2.0946 | 1.2606 |
| 2013* | 3.0241 | 2.6033 | - |

EUR 'B' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009 | 2.0952 | 1.1399 | - |
| 2010 | 2.6988 | 1.9893 | - |
| 2011 | 2.8494 | 1.8808 | - |
| 2012 | 2.7404 | 2.1712 | 2.0113 |
| 2013* | 3.1542 | 2.7106 | - |

EUR 'C' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009** | 2.0549 | 1.1185 | - |

* To 31 May 2013.

** To 30 November 2009.

MELCHIOR ASIAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

EUR 'D' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|--------------------------|--------------------------------|-------------------------------|---|
| 2009** | 2.1064 | 1.1425 | - |

** To 30 November 2009.

MELCHIOR ASIAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Net Asset Value

| Date | Share Class | Net Asset Value US\$ | Shares in issue | Net Asset Value per share |
|----------|-------------|----------------------|-----------------|---------------------------|
| 30.11.10 | USD 'A' | 1,967,845 | 588,302 | \$3.3450 |
| | USD 'B' | 46,454,611 | 13,504,414 | \$3.4400 |
| | USD 'D' | 4,659,376 | 1,371,538 | \$3.3972 |
| | GBP 'A' | 44,695,806 | 13,342,049 | 215.54p |
| | GBP 'B' | 5,045,632 | 1,466,205 | 221.42p |
| | GBP 'C' | 35,871 | 10,690 | 215.90p |
| | GBP 'D' | 2,583,395 | 750,807 | 221.39p |
| | EUR 'A' | 541,512 | 162,000 | €2.5644 |
| | EUR 'B' | 11,964,694 | 3,473,857 | €2.6423 |
| 30.11.11 | USD 'A' | 2,548,477 | 935,311 | \$2.7247 |
| | USD 'B' | 16,324,693 | 5,797,043 | \$2.8160 |
| | USD 'D' | 2,211,244 | 791,917 | \$2.7923 |
| | GBP 'A' | 30,209,314 | 11,070,704 | 175.39p |
| | GBP 'B' | 2,360,956 | 837,671 | 181.16p |
| | GBP 'C' | 29,336 | 10,690 | 176.39p |
| | GBP 'D' | 243,608 | 86,144 | 181.77p |
| | EUR 'A' | 32,658 | 12,000 | €2.0498 |
| | EUR 'B' | 9,112,704 | 3,231,857 | €2.1237 |
| 30.11.12 | USD 'A' | 6,417,548 | 1,901,316 | \$3.38 |
| | USD 'B' | 14,938,622 | 4,260,823 | \$3.51 |
| | USD 'I' | 2,562,117 | 738,438 | \$3.47 |
| | GBP 'A' | 28,154,462 | 8,326,530 | 210.89p |
| | GBP 'I' | 1,208,322 | 344,246 | 218.92p |
| | GBP 'C' | 36,291 | 10,697 | 211.60p |
| | GBP 'D' | 200,043 | 56,807 | 219.63p |
| | EUR 'A' | 69,944 | 20,729 | €2.5954 |
| | EUR 'B' | 11,347,867 | 3,231,857 | €2.7009 |
| 31.05.13 | USD 'A' | 4,856,426 | 1,266,466 | \$3.83 |
| | USD 'B' | 19,327,946 | 4,840,448 | \$3.99 |
| | USD 'I' | 4,409,131 | 1,104,286 | \$3.99 |
| | GBP 'A' | 28,507,181 | 7,421,609 | 252.65p |
| | GBP 'I' | 7,577,201 | 1,887,966 | 263.99p |
| | GBP 'C' | 41,616 | 10,905 | 251.02p |
| | GBP 'D' | 111,505 | 28,142 | 260.62p |
| | EUR 'A' | 62,786 | 16,378 | €2.9531 |
| | EUR 'B' | 12,924,288 | 3,231,857 | €3.0806 |

MELCHIOR ASIAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price Per Share (Ex-distribution)

| Date | Share Class | Price | Yield % |
|----------|-------------|----------|---------|
| 03.06.13 | USD 'A' | \$3.8083 | 0.40 |
| | USD 'B' | \$3.9657 | 0.60 |
| | USD 'I' | \$3.9657 | 1.00 |
| | GBP 'A' | 249.95p | 0.10 |
| | GBP 'I' | 261.16p | 0.30 |
| | GBP 'C' | 248.63p | 0.40 |
| | GBP 'D' | 258.15p | 0.60 |
| | EUR 'A' | €2.9231 | 0.30 |
| | EUR 'B' | €3.0494 | 0.50 |

MELCHIOR ASIAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Ongoing Charges Figure (OCF)

| | 31.05.13 | | | | |
|------------------------|----------|------|------|------|------|
| | A' | B' | C' | D' | I' |
| Ongoing charges figure | 2.50 | 2.00 | 2.10 | 1.60 | 1.20 |

| | 30.11.12 | | | | |
|------------------------|----------|------|------|------|------|
| | A' | B' | C' | D' | I' |
| Ongoing charges figure | 2.61 | 2.11 | 2.21 | 1.71 | 2.11 |

The Ongoing Charges Figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Synthetic Risk and Reward Calculator

Lower Risk

Higher Risk

Typically lower rewards

Typically higher rewards

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the Fund. The shaded area on the table above shows the Fund's ranking on the risk and reward indicator.

Fund Performance to 31 May 2013 (%)

| | 1 year | 3 years | Since launch* |
|---|--------|---------|---------------|
| Melchior Asian Opportunities Fund - USD 'B' | 34.29% | 45.53% | 212.25% |
| MSCI Far East ex Japan Index - USD | 15.80% | 23.02% | 79.00% |

* Launch date 4 April 2005.

The performance of the Fund is based on the net asset value per USD 'B' Accumulation share which includes income reinvested, calculated at bid values at the close of business, which differs to the published prices calculated at the Funds valuation point.

MELCHIOR ASIAN OPPORTUNITIES FUND

PORTFOLIO STATEMENT

AS AT 31 MAY 2013

| Holding | Portfolio of Investments | Value US\$ | Total Net Assets | |
|----------------------|---------------------------------------|-------------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| BERMUDA | | | | |
| 2,238,000 | Giordano International | 2,121,587 | 2.73 | |
| 1,563,000 | Smartone Telecoms | 2,725,841 | 3.50 | |
| 143,100 | VTech Holdings | 2,108,572 | 2.71 | |
| | TOTAL BERMUDA | 6,956,000 | 8.94 | 10.19 |
| CAYMAN ISLAND | | | | |
| 630,000 | AAC Acoustic Technologies | 3,610,966 | 4.64 | |
| 7,388,000 | Dorsett Hospitality International | 1,865,116 | 2.40 | |
| 3,542,000 | Hutchison Telecommunication Hong Kong | 1,916,111 | 2.46 | |
| 3,033,000 | Langham Hospitality Investments | 1,726,703 | 2.22 | |
| 3,192,000 | SA International Holdings | 3,552,217 | 4.56 | |
| 2,400,000 | Sunny Optical Technology | 3,431,287 | 4.41 | |
| 77,600 | Tencent Holdings | 3,072,476 | 3.95 | |
| 152,524 | TPK | 3,033,148 | 3.90 | |
| | TOTAL CAYMAN ISLANDS | 22,208,024 | 28.54 | 21.19 |
| CHINA | | | | |
| 2,380,000 | Industrial & Commercial Bank of China | 1,682,954 | 2.16 | 2.47 |
| HONG KONG | | | | |
| 400,000 | AIA Group | 1,772,317 | 2.28 | |
| 716,000 | BOC | 2,393,168 | 3.07 | |
| 898,000 | China Overseas Land & Investments | 2,671,845 | 3.43 | |
| 454,000 | Galaxy Entertainment | 2,374,131 | 3.05 | |
| 1,251,400 | iShares Asia Trust | 1,695,644 | 2.18 | |
| 2,250,000 | Lenovo | 2,303,947 | 2.96 | |
| 518,000 | Link Real Estate Investment Trust | 2,682,123 | 3.45 | |
| 585,000 | MTR | 2,309,453 | 2.97 | |
| 232,800 | Prada | 2,239,889 | 2.88 | |
| 673,800 | Samsonite International | 1,757,434 | 2.26 | |
| 1,342,500 | Techtronic Industries | 3,413,377 | 4.38 | |
| | TOTAL HONG KONG | 25,613,328 | 32.91 | 35.00 |
| SOUTH KOREA | | | | |
| 40,730 | Cosmax | 1,882,009 | 2.42 | |
| 1,743 | Samsung Electronics | 2,372,961 | 3.05 | |
| | TOTAL SOUTH KOREA | 4,254,970 | 5.47 | 11.07 |

MELCHIOR ASIAN OPPORTUNITIES FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value US\$ | Total Net Assets | |
|---------------|------------------------------------|-------------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| TAIWAN | | | | |
| 801,000 | Chicony Electronics | 2,211,317 | 2.84 | |
| 960,000 | Elan MicroElectric | 2,470,588 | 3.17 | |
| 72,000 | Largan Precision | 2,341,444 | 3.01 | |
| 150,000 | Mediatek | 1,859,960 | 2.39 | |
| 2,664,013 | Prince Housing & Development | 1,834,180 | 2.36 | |
| 522,000 | Taiwan Semiconductor Manufacturing | 1,910,394 | 2.46 | |
| | TOTAL TAIWAN | 12,627,883 | 16.23 | 13.37 |
| | Portfolio of investments | 73,343,159 | 94.25 | 93.29 |
| | Net other assets | 4,474,921 | 5.75 | 6.71 |
| | Net assets | 77,818,080 | 100.00 | 100.00 |

| Portfolio of Investments | Market Value US\$ | Percentage of Total Investments | |
|--------------------------|-------------------------|---------------------------------------|---------------|
| | | 31.05.13 % | 30.11.12 % |
| Equities | 73,343,159 | 100.00 | 100.00 |
| | 73,343,159 | 100.00 | 100.00 |

MELCHIOR ASIAN OPPORTUNITIES FUND

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2013

| | US\$ | 31.05.13 US\$ | US\$ | 31.05.12 US\$ |
|---|-----------|------------------|-----------|------------------|
| Income | | | | |
| Net capital gains | | 9,208,066 | | 3,696,169 |
| Revenue | 538,991 | | 702,493 | |
| Expenses | (789,109) | | (727,676) | |
| Finance costs: Interest | (898) | | - | |
| Net expense before taxation | (251,016) | | (25,183) | |
| Taxation | (12,901) | | (2,846) | |
| Net expense after taxation | | (263,917) | | (28,029) |
| Total return before distributions | | 8,944,149 | | 3,668,140 |
| Finance costs: Distributions | | (132) | | (174) |
| Change in net assets attributable to shareholders from investment activities | | 8,944,017 | | 3,667,966 |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2013

| | US\$ | 31.05.13 US\$ | US\$ | 31.05.12 US\$ |
|---|-------------|-------------------|--------------|-------------------|
| Opening net assets attributable to shareholders | | 64,935,217 | | 63,072,990 |
| Amounts receivable on issue of shares of share | 10,708,067 | | 9,401,371 | |
| Less: Amounts payable on cancellation of shares | (6,769,221) | | (16,950,164) | |
| | | 3,938,846 | | (7,548,793) |
| Stamp duty reserve tax | | - | | (203) |
| Change in net assets attributable to shareholders (see Statement of Total Return above) | | 8,944,017 | | 3,667,966 |
| Retained distribution on Accumulation shares | | - | | - |
| Closing net assets attributable to shareholders | | 77,818,080 | | 59,191,960 |

MELCHIOR ASIAN OPPORTUNITIES FUND

BALANCE SHEET

AS AT 31 MAY 2013

| | | 31.05.13 | | 30.11.12 |
|--|-------------|--------------------|-----------|-------------------|
| | US\$ | US\$ | US\$ | US\$ |
| ASSETS | | | | |
| Investment assets | | 73,343,159 | | 60,579,069 |
| Other assets | | | | |
| Debtors | 2,795,159 | | 287,384 | |
| Cash and bank balances | 7,528,755 | | 4,508,476 | |
| Total other assets | | <u>10,323,914</u> | | <u>4,795,860</u> |
| Total assets | | <u>83,667,073</u> | | <u>65,374,929</u> |
| LIABILITIES | | | | |
| Derivative liabilities | | - | | - |
| Other liabilities | | | | |
| Creditors | (5,285,467) | | (430,174) | |
| Bank overdrafts | (563,526) | | (9,538) | |
| Total other liabilities | | <u>(5,848,993)</u> | | <u>(439,712)</u> |
| Total liabilities | | <u>(5,848,993)</u> | | <u>(439,712)</u> |
| Net assets attributable to shareholders | | <u>77,818,080</u> | | <u>64,935,217</u> |

MELCHIOR GLOBAL EQUITY FUND

INVESTMENT MANAGER'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2013

Investment Objective and Policy

The investment objective of the Melchior Global Equity Fund is to achieve longer term capital growth, without undue risk, through diversified investment in listed equities. In addition, the Fund may invest in other collective investment schemes and cash. There may be times in light of adverse conditions when the manager may wish to hold positions in cash or near cash instruments.

Investment Review

The Melchior Global Equity Fund's GBP 'B' share class rose by 21.39% between the end of November 2012 and the end of May 2013. This compares to a net return (with dividends reinvested) of 21.11% from the benchmark MSCI All Country World Index ("ACWI").

The period under review saw very strong gains in developed equity markets, significantly outpacing both emerging equity markets and government bond markets. In sterling terms the MSCI World Index posted a total return of 20% over the six months, with the MSCI Emerging Markets index up just over 7% and the BofA Merrill Lynch Global Broad Market Bond Index up 1.6%.

Investors shrugged off the uncertainties of 2011 and 2012 and sought out the riskier areas of the equity markets, with the strongest sector returns coming in financials, consumer discretionary and health care (with bio techs doing particularly well). Small caps beat large caps for the first period in a long while, and in style terms value stocks edged ahead of growth as represented by the MSCI Indices.

At a regional level Japan was the clear winner, with both the election of Prime Minister Abe and the succession of Haruhiko Kuroda to the governorship of the Bank of Japan (BoJ) ushering in an explicit plan to reflate the Japanese economy and break the decades long grip of deflation. Both the anticipation of this policy and the announcement of new and substantial quantitative easing by the BoJ in April added rocket fuel to the stock market as the Yen declined significantly versus other currencies. The TOPIX Index first section was up nearly 47% in yen over the six months, but only 27% in sterling. One strategist's rallying cry was: buy Japan, hedge the yen. By the end of May some steam was escaping this rally as the realities of sustaining a much lower yen and making structural change to the Japanese economy became clear.

Elsewhere both the United States and Europe did well for equity investors, with America enjoying the better returns for a sterling based investor. Better signs of underlying economic strength in the US, particularly in the housing market, trumped continuing concerns over the federal budget as talk of sequestration and the deficit ceiling faded from the turn of the year. Sustained QE by the Federal Reserve was cat nip for equity investors. And in Europe the ECB promise to do "whatever it takes" was taken on faith by investors despite worsening data on unemployment and real GDP – and despite the Cypriot "bail in" of depositors and bond holders. Even corruption allegations in Spain and Italian electoral uncertainty couldn't dent the market rally.

In Asia the benefit of "risk on" boosted the developing economies but was dampened by the weak performance of commodity and resource stocks in Australia – also a significant factor in the poor performance of Russia and Brazil. Concerns over slowing Chinese growth weighed somewhat on investors.

Notable individual stock highlights were Usana Health Sciences, Great Wall Motor Company and AAC Technologies, whilst poorly performing holdings included Able C&C, Dena and Koza Altin Isletmeleri.

DALTON CAPITAL (GUERNSEY) LIMITED

Investment Manager

2 July 2013

Melchior Investment Funds

MELCHIOR GLOBAL EQUITY FUND

COMPARATIVE TABLES

Price and Income History

GBP 'B' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2011** | 112.91 | 100.80 | - |
| 2012 | 121.50 | 108.20 | 1.3066 |
| 2013* | 149.60 | 121.02 | 0.9584 |

GBP 'I' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2010*** | 120.67 | 95.81 | - |
| 2011 | 132.20 | 100.80 | 0.1290 |
| 2012** | 121.50 | 108.20 | 1.8441 |
| 2013* | 150.27 | 121.26 | 1.0736 |

* To 31 May 2013.

** From 30 November 2011.

*** From 2 August 2010.

The GBP 'A' Accumulation share class was renamed GBP 'B' Accumulation, and GBP 'B' Accumulation shares was renamed GBP 'I' Accumulation shares on 1 January 2013.

MELCHIOR GLOBAL EQUITY FUND

COMPARATIVE TABLES (continued)

Net Asset Value

| Date | Share Class | Net Asset Value £ | Shares in issue | Net Asset Value per share |
|----------|-------------|----------------------|--------------------|------------------------------|
| 30.11.10 | GBP 'B' | 8,344,324 | 7,330,268 | 113.83p |
| 30.11.11 | GBP 'A' | 9,840 | 9,318 | 105.60p |
| | GBP 'B' | 6,207,560 | 5,878,340 | 105.60p |
| 30.11.12 | GBP 'B' | 11,301 | 9,318 | 121.28p |
| | GBP 'I' | 5,944,028 | 4,895,061 | 121.43p |
| 31.05.13 | GBP 'B' | 13,607 | 9,318 | 146.03p |
| | GBP 'I' | 5,186,740 | 3,535,061 | 146.72p |

Price Per Share (Ex-distribution)

| Date | Share Class | Price | Yield % |
|----------|-------------|--------|------------|
| 03.06.13 | GBP 'B' | 144.09 | 0.70 |
| | GBP 'I' | 144.77 | 0.80 |

MELCHIOR GLOBAL EQUITY FUND

COMPARATIVE TABLES (continued)

Ongoing Charges Figure (OCF)

| | 31.05.13 % | |
|------------------------|---------------|------|
| | B' | I' |
| Ongoing charges figure | 4.02 | 3.27 |

| | 30.11.12 % | |
|------------------------|---------------|------|
| | B' | I' |
| Ongoing charges figure | 2.08 | 1.33 |

The Ongoing Charges Figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Synthetic Risk and Reward Calculator

Lower Risk

Higher Risk

Typically lower rewards

Typically higher rewards

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the Fund. The shaded area on the table above shows the Fund's ranking on the risk and reward indicator.

Fund Performance to 31 May 2013 (%)

| | 1 years | Since launch* |
|---------------------------------------|---------|---------------|
| Melchior Global Equity Fund - GBP 'B' | 30.82% | 46.91% |
| MSCI All Country World Index - GBP | 28.89% | 40.62% |

* Launch date 2 August 2010.

The performance of the Fund is based on the net asset value per USD 'B' Accumulation share which includes income reinvested, calculated at bid values at the close of business, which differs to the published prices calculated at the Funds valuation point.

MELCHIOR GLOBAL EQUITY FUND

PORTFOLIO STATEMENT

AS AT 31 MAY 2013

| Holding | Portfolio of Investments | Value £ | Total Net Assets | |
|---------|--|----------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| | AUSTRALIA | | | 0.83 |
| 687 | Barco | 39,284 | 0.76 | 0.49 |
| | BERMUDA | | | |
| 30,000 | Haier Electronics | 35,041 | 0.67 | 0.55 |
| | BRAZIL | | | |
| 5,500 | Ez Tec Empreendimentos E Participacoes | 49,844 | 0.96 | 0.91 |
| | CANADA 2.14% (0.42%) | | | |
| 1,044 | Magna International | 45,714 | 0.88 | |
| 1,095 | Valeant Pharmaceuticals International | 65,601 | 1.26 | |
| | TOTAL CANADA | 111,315 | 2.14 | 0.42 |
| | CAYMAN ISLANDS | | | |
| 19,000 | AAC Technologies | 71,668 | 1.38 | |
| 7,500 | Giant Interactive ADR | 41,700 | 0.80 | |
| 120,000 | Ju Teng International | 51,876 | 1.00 | |
| 114,000 | Nagacorp | 62,037 | 1.20 | |
| 3,000 | TPK | 39,255 | 0.75 | |
| | TOTAL CAYMAN ISLANDS | 266,536 | 5.13 | 4.82 |
| | CHINA | | | |
| 170,000 | Bank of China 'H' | 52,884 | 1.02 | |
| 90,000 | China Communications Services 'H' | 38,602 | 0.74 | |
| 23,800 | Great Wall Automobile | 74,643 | 1.44 | |
| | TOTAL CHINA | 166,129 | 3.20 | 1.72 |
| | DENMARK | | | |
| 2,174 | Pandora | 49,506 | 0.95 | - |
| | FINLAND | | | |
| 2,962 | Tieto | 40,152 | 0.77 | 0.50 |

MELCHIOR GLOBAL EQUITY FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value £ | Total Net Assets | | |
|-------------------|---|----------------|------------------|---------------|-------|
| | | | 31.05.13 % | 30.11.12 % | |
| FRANCE | | | | | |
| 1,679 | Ipsen | 39,876 | 0.77 | | |
| 18,634 | Technicolor | 52,591 | 1.01 | | |
| 394 | Zodiac Aerospace | 34,320 | 0.66 | | |
| | TOTAL FRANCE | 126,787 | 2.44 | | 0.94 |
| GERMANY | | | | | |
| 600 | Continental | 52,392 | 1.01 | | |
| 3,487 | Freenet | 49,296 | 0.95 | | |
| 1,442 | Kuka | 45,224 | 0.87 | | |
| 817 | MTU Aero Engines | 54,208 | 1.04 | | |
| 1,015 | SAP | 50,348 | 0.97 | | |
| | TOTAL GERMANY | 251,468 | 4.84 | | 6.39 |
| HONG KONG | | | | | |
| 150,000 | PCCW | 46,917 | 0.90 | | - |
| ISRAEL | | | | | |
| | | | | | 0.76 |
| IRELAND | | | | | |
| 270,000 | The Governor and Company of the Bank of Ireland | 41,334 | 0.79 | | - |
| ITALY | | | | | |
| 13,000 | Mediaset | 27,017 | 0.52 | | - |
| JAPAN | | | | | |
| 1,100 | ABC-Mart | 26,401 | 0.51 | | |
| 1,500 | Astellas Pharma | 51,375 | 0.99 | | |
| 3,000 | Daiichikosho | 50,510 | 0.97 | | |
| 1,400 | Dena | 19,592 | 0.38 | | |
| 2,000 | Hitachi Capital | 29,679 | 0.57 | | |
| 2,000 | KDDI | 60,314 | 1.15 | | |
| 1,500 | Nihon Kohden | 35,854 | 0.69 | | |
| 1,500 | Nitto Denko | 60,117 | 1.16 | | |
| 3,100 | Shionogi & Co | 38,876 | 0.75 | | |
| | TOTAL JAPAN | 372,718 | 7.17 | | 10.94 |
| LUXEMBOURG | | | | | |
| 2,600 | Mhp GDR | 31,084 | 0.60 | | 0.94 |

MELCHIOR GLOBAL EQUITY FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value £ | Total Net Assets | |
|--------------------------|---------------------------|----------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| NETHERLANDS | | | | |
| 1,000 | Chicago Bridge & Iron | <u>41,644</u> | 0.80 | - |
| NORWAY | | | | |
| 1,920 | TGS NOPEC Geophysical | <u>44,444</u> | 0.85 | 1.19 |
| POLAND | | | | |
| | | | | |
| SINGAPORE | | | | |
| | | | | |
| SOUTH KOREA | | | | |
| 230 | Hyundai Mobis | 38,179 | 0.73 | |
| 4,200 | Partron | 61,034 | 1.17 | |
| 80 | Samsung Electronics | 71,663 | 1.38 | |
| 481 | SK Telecom | 58,692 | 1.13 | |
| TOTAL SOUTH KOREA | | <u>229,568</u> | 4.41 | 3.23 |
| SWITZERLAND | | | | |
| 1,446 | Actelion | <u>56,975</u> | 1.10 | 2.09 |
| TAIWAN | | | | |
| 18,000 | Advantech | 58,189 | 1.12 | |
| 36,000 | Chipbond Technology | 63,335 | 1.22 | |
| 45,000 | Gemtek Technology | 35,824 | 0.69 | |
| 2,000 | Largan Precision | 42,795 | 0.82 | |
| 35,350 | Lite-On | 37,198 | 0.72 | |
| 25,000 | Realtek Semiconductor | 41,839 | 0.80 | |
| TOTAL TAIWAN | | <u>279,180</u> | 5.37 | 5.98 |
| THAILAND | | | | |
| 95,000 | LPN Development | <u>52,133</u> | 1.00 | 0.78 |
| TURKEY | | | | |
| 6,784 | Gubre Fabrikalari Tas | 35,224 | 0.68 | |
| 3,000 | Koza Altin Isletmeleri | 34,522 | 0.66 | |
| TOTAL TURKEY | | <u>69,746</u> | 1.34 | 2.48 |
| UNITED KINGDOM | | | | |
| 11,500 | Aberdeen Asset Management | 53,590 | 1.03 | |
| 12,164 | Barratt Developments | 38,876 | 0.75 | |
| 1,275 | Berkeley | 26,979 | 0.52 | |

MELCHIOR GLOBAL EQUITY FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value £ | Total Net Assets | |
|---------|-----------------------------------|----------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| | UNITED KINGDOM (continued) | | | |
| 6,950 | Micro Focus International | 47,677 | 0.92 | |
| 5,500 | Mondi | 47,932 | 0.92 | |
| 20,002 | Pace | 50,225 | 0.97 | |
| 1,100 | Reckitt Benckiser | 51,942 | 1.00 | |
| 1,300 | Rotork | 37,167 | 0.71 | |
| 1,600 | Spectris | 33,376 | 0.64 | |
| 15,000 | Thomas Cook | 21,420 | 0.41 | |
| 12,000 | William Hill | 53,064 | 1.02 | |
| | TOTAL UNITED KINGDOM | 462,248 | 8.89 | 7.57 |
| | CHEMICALS | | | |
| 1,400 | Axiall | 39,739 | 0.76 | 2.55 |
| | FINANCIAL SERVICES | | | |
| 2,500 | Citigroup | 85,538 | 1.64 | |
| 1,700 | Discover Financial Services | 53,042 | 1.02 | |
| 967 | Eaton Vance | 26,405 | 0.51 | |
| 103 | Mastercard | 38,606 | 0.74 | |
| 594 | Visa 'A' | 69,636 | 1.34 | |
| | TOTAL FINANCIAL SERVICES | 273,227 | 5.25 | 5.14 |
| | FOOD & BEVERAGE | | | |
| 1,200 | Green Mountain Coffee Roasters | 57,742 | 1.11 | 1.07 |
| | HEALTHCARE | | | |
| 1,106 | Carefusion | 26,744 | 0.51 | |
| 500 | Celgene | 40,640 | 0.78 | |
| 1,000 | Cigna | 44,683 | 0.86 | |
| 1,450 | Gilead Sciences | 51,978 | 1.00 | |
| 700 | McKesson | 52,429 | 1.01 | |
| 754 | Nu Skin Enterprises | 29,216 | 0.56 | |
| 763 | United Therapeutics | 33,371 | 0.64 | |
| 1,200 | Usana Health Sciences | 55,381 | 1.06 | |
| | TOTAL HEALTHCARE | 334,442 | 6.42 | 4.88 |

MELCHIOR GLOBAL EQUITY FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value £ | Total Net Assets | |
|--|--|----------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| INDUSTRIAL GOODS & SERVICES | | | | |
| 1,884 | Deluxe | 46,338 | 0.89 | |
| 800 | Fleetcor Technologies | 45,817 | 0.88 | |
| 1,524 | On Assignment | 26,092 | 0.50 | |
| 700 | Snap-On | 41,959 | 0.81 | |
| 400 | Transdigm | 38,437 | 0.74 | |
| | TOTAL INDUSTRIAL GOODS & SERVICES | 198,643 | 3.82 | 5.65 |
| INSURANCE | | | | |
| 453 | Middleby | 48,716 | 0.94 | |
| 2,200 | AIG | 64,344 | 1.24 | |
| 1,800 | Allstate | 57,146 | 1.10 | |
| 2,254 | Lincoln National | 52,887 | 1.02 | |
| 2,219 | Protective Life | 56,446 | 1.09 | |
| | TOTAL INSURANCE | 279,539 | 5.39 | 3.15 |
| MARKETING | | | | |
| 450 | Alliance Data Systems | 52,438 | 1.01 | |
| 1,700 | Valassis Communications | 29,049 | 0.56 | |
| | TOTAL MARKETING | 81,487 | 1.57 | 1.88 |
| MEDIA | | | | |
| 900 | AMC Networks 'A' | 37,912 | 0.73 | |
| 4,062 | CTC Media | 31,886 | 0.61 | |
| | TOTAL MEDIA | 69,798 | 1.34 | - |
| OIL & GAS | | | | |
| 3,500 | CVR Energy Escrow Dummy Line | - | - | |
| 1,250 | CVR Energy | 51,643 | 1.00 | |
| 1,500 | Hollyfrontier | 48,865 | 0.94 | |
| 1,635 | Patterson-UTI Energy | 22,603 | 0.43 | |
| 2,404 | Western Refining | 52,737 | 1.01 | |
| | TOTAL OIL & GAS | 175,848 | 3.38 | 3.52 |
| PERSONAL & HOUSEHOLD GOODS | | | | |
| 1,600 | Jarden | 49,028 | 0.94 | |
| 3,500 | Prestige Brands | 67,683 | 1.30 | |
| 1,005 | Shutterfly | 32,230 | 0.62 | |
| 6,200 | Smith & Wesson | 37,164 | 0.71 | |
| | TOTAL PERSONAL & HOUSEHOLD GOODS | 186,105 | 3.57 | 1.94 |

MELCHIOR GLOBAL EQUITY FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value £ | Total Net Assets | |
|---------------------------|---------------------------------|------------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| TECHNOLOGY | | | | |
| 2,200 | Ametek | 62,448 | 1.20 | |
| 162 | Apple | 47,933 | 0.92 | |
| 1,700 | Henry Jack & Associates | 52,494 | 1.01 | |
| 2,700 | Intel | 43,135 | 0.83 | |
| 4,227 | Mentor Graphics | 52,789 | 1.02 | |
| 2,626 | Microsoft | 60,268 | 1.16 | |
| 2,300 | Oracle | 51,091 | 0.98 | |
| 750 | Roper Industries | 61,266 | 1.18 | |
| 900 | Wabtec | 65,140 | 1.25 | |
| | TOTAL TECHNOLOGY | 496,564 | 9.55 | 12.96 |
| TELECOMMUNICATIONS | | | | |
| 2,500 | Ixia | 25,842 | 0.50 | |
| 1,573 | Neustar 'A' | 50,332 | 0.97 | |
| | TOTAL TELECOMMUNICATIONS | 76,174 | 1.47 | 0.67 |
| | Portfolio of investments | 5,160,378 | 99.23 | 98.85 |
| | Net other assets | 39,970 | 0.77 | 1.15 |
| | Net assets | 5,200,348 | 100.00 | 100.00 |

| Portfolio of Investments | Market Value £ | Percentage of Total Investments | |
|--------------------------|----------------------|---------------------------------------|---------------|
| | | 31.05.13 % | 30.11.12 % |
| Equities | 5,160,378 | 100.00 | 100.00 |
| | 5,160,378 | 100.00 | 100.00 |

MELCHIOR GLOBAL EQUITY FUND

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | 31.05.12 |
|---|----------------|----------------|
| £ | £ | £ |
| Income | | |
| Net capital gains | 936,749 | 412,697 |
| Revenue | 47,422 | 54,884 |
| Expenses | (94,318) | (33,049) |
| Finance costs: Interest | (118) | - |
| Net (expense)/revenue before taxation | (47,014) | 21,835 |
| Taxation | (3,963) | (4,370) |
| Net (expense)/revenue after taxation | (50,977) | 17,465 |
| Total return before distributions | 885,772 | 430,162 |
| Finance costs: Distributions | (81) | 192 |
| Change in net assets attributable to shareholders from investment activities | 885,691 | 430,354 |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | 31.05.12 |
|---|------------------|------------------|
| £ | £ | £ |
| Opening net assets attributable to shareholders | 5,955,329 | 6,217,400 |
| Amounts receivable on issue of shares of share | - | 1,973,646 |
| Less: Amounts payable on cancellation of shares | (1,643,071) | (3,039,659) |
| | (1,643,071) | (1,006,013) |
| Dilution levy charged | 2,399 | - |
| Stamp duty reserve tax | - | (669) |
| Change in net assets attributable to shareholders (see Statement of Total Return above) | 885,691 | 430,354 |
| Retained distribution on Accumulation shares | - | 4,357 |
| Closing net assets attributable to shareholders | 5,200,348 | 5,585,429 |

MELCHIOR GLOBAL EQUITY FUND

BALANCE SHEET

AS AT 31 MAY 2013

| | 31.05.13 | 30.11.12 |
|--|------------------|--------------------|
| £ | £ | £ |
| ASSETS | | |
| Investment assets | 5,160,378 | 5,887,008 |
| Other assets | | |
| Debtors | 26,136 | 1,065,921 |
| Cash and bank balances | 112,958 | 157,609 |
| Total other assets | <u>139,094</u> | <u>1,223,530</u> |
| Total assets | <u>5,299,472</u> | <u>7,110,538</u> |
| LIABILITIES | | |
| Derivative liabilities | - | - |
| Other liabilities | | |
| Creditors | (40,355) | (1,046,825) |
| Bank overdrafts | (58,769) | (108,384) |
| Total other liabilities | <u>(99,124)</u> | <u>(1,155,209)</u> |
| Total liabilities | <u>(99,124)</u> | <u>(1,155,209)</u> |
| Net assets attributable to shareholders | <u>5,200,348</u> | <u>5,955,329</u> |

MELCHIOR JAPAN ADVANTAGE FUND

INVESTMENT MANAGER'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2013

Investment Objective and Policy

The investment objective of the Melchior Japan Advantage Fund is to achieve longer term capital growth, without undue risk, through diversified investment in equities that are issued by companies that have their registered office or carry out a predominant portion of their economic activity in Japan. The Fund may also invest in other collective investment schemes and cash. There may be times in light of adverse conditions when the manager will wish to hold positions in cash or near cash instruments.

Investment Review

The Melchior Japan Advantage Fund's JPY 'B' share class rose by 48.36% between the end of November 2012 and the end of May 2013. This compares to a net return (with dividends reinvested) of 46.98% from the benchmark TOPIX Index ("TPX").

The period under review saw very strong gains in developed equity markets, significantly outpacing both emerging equity markets and government bond markets. In sterling terms the MSCI World Index posted a total return of 20% over the six months, with the MSCI Emerging Markets Index up just over 7% and the BofA Merrill Lynch Global Broad Market Bond Index up 1.6%.

Investors shrugged off the uncertainties of 2011 and 2012 and sought out the riskier areas of the equity markets, with the strongest sector returns coming in financials, consumer discretionary and health care (with bio techs doing particularly well). Small caps beat large caps for the first period in a long while, and in style terms value stocks edged ahead of growth as represented by the MSCI Indices.

At a regional level Japan was the clear winner, with both the election of Prime Minister Abe and the succession of Haruhiko Kuroda to the governorship of the Bank of Japan (BoJ) ushering in an explicit plan to reflate the Japanese economy and break the decades long grip of deflation. Both the anticipation of this policy and the announcement of new and substantial quantitative easing by the BoJ in April added rocket fuel to the stock market as the yen declined significantly versus other currencies. The TOPIX Index first section was up nearly 47% in yen over the six months, but only 27% in sterling. One strategist's rallying cry was: buy Japan, hedge the yen. By the end of May some steam was escaping this rally as the realities of sustaining a much lower yen and making structural change to the Japanese economy became clear.

Elsewhere both the United States and Europe did well for equity investors, with America enjoying the better returns for a sterling based investor. Better signs of underlying economic strength in the US, particularly in the housing market, trumped continuing concerns over the federal budget as talk of sequestration and the deficit ceiling faded from the turn of the year. Sustained QE by the Federal Reserve was cat nip for equity investors. And in Europe the ECB promise to do "whatever it takes" was taken on faith by investors despite worsening data on unemployment and real GDP – and despite the Cypriot "bail in" of depositors and bond holders. Even corruption allegations in Spain and Italian electoral uncertainty couldn't dent the market rally.

In Asia the benefit of "risk on" boosted the developing economies but was dampened by the weak performance of commodity and resource stocks in Australia – also a significant factor in the poor performance of Russia and Brazil. Concerns over slowing Chinese growth weighed somewhat on investors.

MELCHIOR JAPAN ADVANTAGE FUND

INVESTMENT MANAGER'S REPORT (continued)

Investment Review (continued)

Notable individual stock highlights were Toyota Motor, Mitsubishi UFJ Financial and Sumitomo Mitsui Financial, whilst poorly performing holdings included Nikon, Bank of Yokohama and JVC Kenwood.

DALTON CAPITAL (GUERNSEY) LIMITED

Investment Manager

2 July 2013

MELCHIOR JAPAN ADVANTAGE FUND

COMPARATIVE TABLES

Price and Income History

JPY 'A' Accumulation shares

| Calendar Year | Highest Price ¥ | Lowest Price ¥ | Distribution per share ¥ |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 162.10 | 113.32 | - |
| 2010** | 172.53 | 146.58 | - |

JPY 'B' Accumulation shares

| Calendar Year | Highest Price ¥ | Lowest Price ¥ | Distribution per share ¥ |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 161.06 | 112.63 | - |
| 2010 | 171.94 | 137.05 | - |
| 2011 | 171.47 | 122.69 | - |
| 2012 | 150.56 | 122.52 | 1.4679 |
| 2013* | 223.29 | 148.50 | - |

JPY 'C' Accumulation shares

| Calendar Year | Highest Price ¥ | Lowest Price ¥ | Distribution per share ¥ |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 161.98 | 113.16 | - |
| 2010** | 173.18 | 147.59 | - |

JPY 'D' Accumulation shares

| Calendar Year | Highest Price ¥ | Lowest Price ¥ | Distribution per share ¥ |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 162.91 | 113.61 | 0.8640 |
| 2010** | 173.18 | 147.59 | - |

JPY 'I' Accumulation shares

| Calendar Year | Highest Price ¥ | Lowest Price ¥ | Distribution per share ¥ |
|---------------|--------------------|-------------------|-----------------------------|
| 2013*** | 223.99 | 163.14 | - |

* To 31 May 2013.

** To 30 November 2010.

*** From 16 January 2013 to 31 May 2013.

MELCHIOR JAPAN ADVANTAGE FUND

COMPARATIVE TABLES (continued)

Price and Income History

GBP 'A' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 107.84 | 83.26 | - |
| 2010 | 120.75 | 103.66 | - |
| 2011 | 127.13 | 101.55 | - |
| 2012 | 113.19 | 97.44 | 0.1156 |
| 2013* | 142.19 | 103.64 | - |

GBP 'I' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 108.71 | 84.07 | 0.2066 |
| 2010 | 121.99 | 104.61 | - |
| 2011 | 128.92 | 103.24 | - |
| 2012 | 115.43 | 99.68 | 1.0150 |
| 2013* | 146.37 | 106.17 | - |

GBP 'C' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 107.82 | 83.36 | - |
| 2010 | 120.37 | 103.27 | - |
| 2011 | 127.13 | 102.42 | 0.2571 |
| 2012 | 114.11 | 98.63 | 1.2348 |
| 2013* | 144.18 | 105.00 | - |

* To 31 May 2013.

** To 30 November 2010.

MELCHIOR JAPAN ADVANTAGE FUND

COMPARATIVE TABLES (continued)

Price and Income History

GBP 'D' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 108.52 | 83.72 | 0.7652 |
| 2010 | 121.35 | 104.01 | - |
| 2011 | 128.61 | 104.10 | 0.6592 |
| 2012 | 116.12 | 100.67 | 2.3805 |
| 2013* | 142.03 | 107.24 | - |

GBP 'I' Hedged Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2011** | 132.43 | 94.16 | - |
| 2012 | 115.83 | 94.04 | 1.5317 |
| 2013* | 170.12 | 113.71 | - |

* To 31 May 2013.

** To 30 November 2011.

The GBP 'B' Accumulation share class was renamed GBP 'I' Accumulation, and the GBP 'B' Hedged Accumulation share class was renamed GBP 'I' Hedged Accumulation on 1 January 2013.

MELCHIOR JAPAN ADVANTAGE FUND

COMPARATIVE TABLES (continued)

Net Asset Value

| Date | Share Class | Net Asset Value ¥ | Shares in issue | Net Asset Value per share |
|----------|----------------|----------------------|-----------------|------------------------------|
| 30.11.10 | JPY 'B' | 270,477,299 | 1,819,189 | ¥148.68 |
| | GBP 'A' | 849,843,159 | 5,734,067 | 113.80p |
| | GBP 'B' | 7,533,576,827 | 49,932,302 | 115.84p |
| | GBP 'C' | 3,042,746 | 20,369 | 114.70p |
| | GBP 'D' | 2,434,616,991 | 16,069,901 | 116.32p |
| 30.11.11 | JPY 'B' | 231,654,632 | 1,834,723 | ¥126.26 |
| | GBP 'A' | 654,482,592 | 5,207,916 | 103.37p |
| | GBP 'B' | 7,900,823,794 | 61,747,989 | 105.24p |
| | GBP 'C' | 1,462,803 | 11,570 | 103.99p |
| | GBP 'D' | 2,373,959,931 | 18,480,416 | 105.66p |
| | GBP 'B' Hedged | 540,521,386 | 4,591,423 | 96.83p |
| 30.11.12 | JPY 'B' | 3,266,518,830 | 24,282,500 | ¥134.52 |
| | GBP 'A' | 844,381,274 | 6,339,478 | 100.49p |
| | GBP 'I' | 7,813,067,915 | 57,327,267 | 102.82p |
| | GBP 'C' | 1,402,322 | 10,398 | 101.75p |
| | GBP 'D' | 287,791,412 | 2,090,275 | 103.87p |
| | GBP 'I' Hedged | 575,827,191 | 4,209,654 | 103.20p |
| 31.05.13 | JPY 'B' | 3,170,736,917 | 15,949,960 | ¥198.79 |
| | JPY 'I' * | 181,810 | 912 | ¥199.30 |
| | GBP 'A' | 866,047,547 | 4,165,417 | 136.03p |
| | GBP 'I' | 7,172,241,325 | 35,510,963 | 132.14p |
| | GBP 'C' | 2,020,794 | 10,161 | 130.12p |
| | GBP 'D' | 2,424,774 | 12,443 | 127.50p |
| | GBP 'I' Hedged | 1,461,286,120 | 6,320,129 | 151.27p |

* Launched 16 January 2013.

Price Per Share (Ex-distribution)

| Date | Share Class | Price | Yield % |
|----------|----------------|---------|------------|
| 03.06.13 | JPY 'B' | ¥192.68 | 0.50 |
| | JPY 'I' | ¥193.47 | - |
| | GBP 'A' | 124.38p | 0.10 |
| | GBP 'I' | 128.05p | 0.30 |
| | GBP 'C' | 126.18p | 0.40 |
| | GBP 'D' | 123.57p | 0.60 |
| | GBP 'I' Hedged | 146.87p | 0.30 |

MELCHIOR JAPAN ADVANTAGE FUND

COMPARATIVE TABLES (continued)

Ongoing Charges Figure (OCF)

| | 31.05.13 % | | | | |
|------------------------|---------------|------|------|------|------|
| | A' | B' | C' | D' | I' |
| Ongoing charges figure | 2.39 | 1.89 | 1.74 | 1.24 | 1.89 |

| | 30.11.12 % | | | | |
|------------------------|---------------|------|------|------|------|
| | A' | B' | C' | D' | I' |
| Ongoing charges figure | 2.44 | 1.94 | 1.79 | 1.29 | 1.94 |

The Ongoing Charges Figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

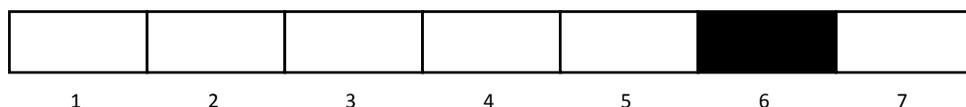
Synthetic Risk and Reward Calculator

Lower Risk

Higher Risk

Typically lower rewards

Typically higher rewards



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the Fund. The shaded area on the table above shows the Fund's ranking on the risk and reward indicator.

Fund Performance to 31 May 2013 (%)

| | 1 year | 3 years | Since launch* |
|---|--------|---------|---------------|
| Melchior Japan Advantage Fund - JPY 'B' | 60.52% | 32.74% | -18.34% |
| TOPIX (Total Return) Index - JPY | 61.47% | 38.00% | -18.08% |

* Launch date 12 December 2007.

MELCHIOR JAPAN ADVANTAGE FUND

PORTFOLIO STATEMENT

AS AT 31 MAY 2013

| Holding | Portfolio of Investments | Value ¥'000 | Total Net Assets | |
|------------------------------|-----------------------------|------------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| OIL & GAS | | | | |
| 183,500 | JX Holdings | 91,750 | 0.72 | 1.36 |
| BASIC MATERIALS | | | | |
| 154,000 | Asahi Kasei | 106,414 | 0.84 | |
| 154,000 | Daicel | 126,280 | 1.00 | |
| 47,100 | JFE Holdings | 101,029 | 0.80 | |
| 86,000 | Mitsubishi Gas Chemical | 63,038 | 0.50 | |
| 483,000 | Nippon Steel | 125,580 | 0.99 | |
| 38,300 | Nitto Denko | 234,396 | 1.85 | |
| 40,000 | Sakata Inx | 27,360 | 0.22 | |
| 17,500 | Shin-Etsu Chemicals | 112,875 | 0.89 | |
| 25,000 | Sumitomo Metal Mining | 32,575 | 0.26 | |
| 81,000 | Zeon | 82,458 | 0.65 | |
| TOTAL BASIC MATERIALS | | 1,012,005 | 8.00 | 6.62 |
| INDUSTRIALS | | | | |
| 117,100 | Alps Electric | 83,844 | 0.66 | |
| 9,700 | Century Tokyo Leasing | 25,317 | 0.20 | |
| 7,400 | Daito Trust | 70,078 | 0.55 | |
| 457,000 | Hitachi | 318,986 | 2.52 | |
| 146,000 | Isuzu Motors | 113,150 | 0.89 | |
| 181,000 | Kajima | 54,119 | 0.43 | |
| 355,000 | Kawasaki Heavy Industries | 123,895 | 0.98 | |
| 58,800 | Komatsu | 153,527 | 1.21 | |
| 56,000 | Kubota | 84,000 | 0.66 | |
| 60,000 | Makino Milling Machine | 39,600 | 0.31 | |
| 272,000 | Marubeni | 193,936 | 1.53 | |
| 118,500 | Mitsubishi | 211,522 | 1.67 | |
| 98,000 | Mitsubishi Electric | 95,648 | 0.75 | |
| 386,000 | Mitsubishi Heavy Industries | 243,952 | 1.92 | |
| 88,600 | Mitsui | 114,294 | 0.90 | |
| 78,000 | Mitsui-Soko | 41,262 | 0.33 | |
| 138,000 | Nippon Yusen | 36,708 | 0.29 | |
| 16,500 | Nishio Rent All Co | 33,742 | 0.27 | |
| 64,400 | Omron | 194,810 | 1.54 | |
| 34,000 | Osaki Electric | 18,292 | 0.14 | |
| 141,000 | Sankyu | 53,439 | 0.42 | |
| 19,900 | Secom | 102,883 | 0.81 | |
| 9,400 | Sumitomo Sugi Holdings | 12,098 | 0.10 | |
| 428,000 | Toshiba | 208,436 | 1.64 | |
| TOTAL INDUSTRIALS | | 2,627,538 | 20.72 | 29.95 |

MELCHIOR JAPAN ADVANTAGE FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value ¥'000 | Total Net Assets | |
|--------------------------|--------------------------------|------------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| CONSUMER GOODS | | | | |
| 800 | Aisin Seiki | 2,992 | 0.02 | |
| 40,000 | Ajinomoto | 55,960 | 0.44 | |
| 81,000 | Bridgestone | 272,565 | 2.15 | |
| 77,000 | Citizen Holdings | 45,969 | 0.36 | |
| 141,700 | Honda Motor | 542,711 | 4.28 | |
| 131,000 | Japan Tobacco | 452,605 | 3.57 | |
| 22,000 | Kirin Holdings | 36,454 | 0.29 | |
| 307,200 | Leopalace21 | 143,770 | 1.13 | |
| 162,000 | Mazda Motor | 65,448 | 0.52 | |
| 7,000 | Ngk Spark Plug | 12,621 | 0.10 | |
| 46,900 | Paltac | 59,891 | 0.47 | |
| 63,400 | Sega Sammy Holdings | 154,506 | 1.22 | |
| 66,000 | Sekisui House Sekerbank | 87,648 | 0.69 | |
| 26,700 | Sony | 54,708 | 0.43 | |
| 32,300 | Sumitomo Electric | 39,987 | 0.32 | |
| 165,100 | Toyota Motor | 990,600 | 7.82 | |
| | TOTAL CONSUMER GOODS | 3,018,435 | 23.81 | 15.47 |
| HEALTHCARE | | | | |
| 26,300 | Astellas Pharmaceuticals | 137,549 | 1.09 | |
| 36,100 | Olympus | 111,007 | 0.88 | |
| 13,700 | Paramount Bed Holdings | 45,279 | 0.36 | |
| 21,000 | Rohto Pharmaceutical | 30,828 | 0.24 | |
| 18,000 | Takeda Pharmaceutical | 81,000 | 0.64 | |
| 14,300 | Terumo | 72,644 | 0.57 | |
| | TOTAL HEALTHCARE | 478,307 | 3.78 | 4.86 |
| CONSUMER SERVICES | | | | |
| 22,800 | Avex Group | 70,566 | 0.56 | |
| 30,400 | East Japan Railway | 230,432 | 1.82 | |
| 20,200 | Heiwa | 35,027 | 0.28 | |
| 12,700 | Japan Airlines | 66,167 | 0.52 | |
| | TOTAL CONSUMER SERVICES | 402,192 | 3.18 | 5.67 |
| GENERAL RETAILERS | | | | |
| 115,900 | Best Denki | 19,239 | 0.15 | |
| 15,000 | Don Quijote | 68,700 | 0.54 | |
| 4,550 | Nitori Holdings | 36,173 | 0.29 | |
| 7,700 | Ryohin Keikaku | 58,289 | 0.46 | |
| 51,600 | SEVEN&i | 180,858 | 1.43 | |
| 13,100 | Sundrug | 50,697 | 0.40 | |

MELCHIOR JAPAN ADVANTAGE FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value ¥'000 | Total Net Assets | |
|-----------|--------------------------------------|------------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| | GENERAL RETAILERS (continued) | | | |
| 5,200 | Tsuruha | 42,692 | 0.34 | |
| 10,310 | Yamada Denki | 39,642 | 0.31 | |
| | TOTAL GENERAL RETAILERS | 496,290 | 3.92 | 1.24 |
| | TELECOMMUNICATIONS | | | |
| 77,700 | Nippon Telegraph & Telephone | 392,385 | 3.10 | |
| 44,100 | KDDI | 203,081 | 1.60 | |
| 56,200 | Softbank Fonciere Paris France | 289,992 | 2.29 | |
| | TOTAL TELECOMMUNICATIONS | 885,458 | 6.99 | 5.67 |
| | UTILITIES | | | |
| 70,300 | Hokkaido Electric Power | 93,921 | 0.74 | 1.09 |
| | FINANCIALS | | | |
| 34,400 | Arnest One | 63,468 | 0.50 | |
| 152,000 | Bank of Yokohama | 76,152 | 0.60 | |
| 410 | Dai-Ichi Life Insurance | 57,564 | 0.45 | |
| 108,000 | Mitsubishi Estate | 275,076 | 2.17 | |
| 1,030,700 | Mitsubishi UFJ Financial | 613,266 | 4.84 | |
| 94,000 | Mitsui Fudosan | 269,122 | 2.12 | |
| 51,200 | Nksj Holdings | 118,784 | 0.94 | |
| 292,300 | Nomura Holdings | 230,625 | 1.82 | |
| 131,700 | Orix | 180,429 | 1.42 | |
| 243,600 | Resona Holdings | 112,300 | 0.89 | |
| 111,900 | Sumitomo Mitsui Financial | 454,314 | 3.58 | |
| 50,100 | Tokio Marine Holdings | 150,050 | 1.18 | |
| | TOTAL FINANCIALS | 2,601,150 | 20.52 | 16.09 |
| | INDEX TRACKER FUNDS | | | |
| 326,200 | Nomura Topix Exchange Traded Fund | 381,002 | 3.01 | 2.01 |
| | TECHNOLOGY | | | |
| 81,600 | Canon | 287,640 | 2.26 | |
| 47,000 | Denki Kogyo | 25,333 | 0.20 | |
| 46,000 | Hitachi Kokusai Electric | 46,782 | 0.37 | |
| 63 | Nuflare Technology | 52,920 | 0.42 | |
| 53,000 | Ricoh | 63,865 | 0.50 | |
| 35,300 | SCSK | 73,106 | 0.58 | |
| 34,900 | Seiko Epson | 44,777 | 0.35 | |
| | TOTAL TECHNOLOGY | 594,423 | 4.68 | 7.18 |

MELCHIOR JAPAN ADVANTAGE FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value ¥'000 | Total Net Assets | |
|---|--|-------------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| FORWARD CURRENCY CONTRACTS | | | | |
| ¥20,932,183 | Sold JPY, bought GBP 138,077 for settlement 28/06/2013 | 166 | | |
| ¥1,423,898,438 | Sold JPY, bought GBP 9,375,000 for settlement 28/06/2013 | 8,627 | 0.06 | |
| ¥69,998,008 | Sold JPY, bought GBP 447,864 for settlement 28/06/2013 | (1,563) | (0.01) | |
| ¥1,254,722 | Sold JPY, bought GBP 8,041 for settlement 28/06/2013 | (26) | | |
| ¥77,868,450 | Sold JPY, bought GBP 500,000 for settlement 28/06/2013 | (1,467) | (0.01) | |
| ¥2,130,501 | Sold JPY, bought GBP 13,636 for settlement 28/06/2013 | (47) | | |
| ¥8,314,992 | Sold JPY, bought GBP 53,328 for settlement 28/06/2013 | (166) | | |
| £420,000 | Sold GBP, bought JPY 64,430,100 for settlement 28/06/2013 | 253 | | |
| £14,475 | Sold GBP, bought JPY 2,190,306 for settlement 28/06/2013 | (22) | | |
| £13,437 | Sold GBP, bought JPY 2,058,204 for settlement 28/06/2013 | 5 | | |
| £9,046 | Sold GBP, bought JPY 1,409,542 for settlement 28/06/2013 | 27 | | |
| £186,725 | Sold GBP, bought JPY 29,057,435 for settlement 28/06/2013 | 525 | | |
| £18,180 | Sold GBP, bought JPY 2,789,943 for settlement 28/06/2013 | 12 | | |
| TOTAL FORWARD CURRENCY CONTRACTS | | 6,324 | 0.04 | 0.15 |
| | Portfolio of investments | 12,688,795 | 100.11 | 97.36 |
| | Net other liabilities | (13,856) | (0.11) | 2.64 |
| | Net assets | 12,674,939 | 100.00 | 100.00 |

MELCHIOR JAPAN ADVANTAGE FUND

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | 31.05.12 |
|---|------------------|------------------|
| | ¥'000 | ¥'000 |
| Income | | |
| Net capital gains/(losses) | 5,775,128 | (214,554) |
| Revenue | 146,808 | 293,347 |
| Expenses | (109,962) | (129,313) |
| Finance costs: Interest | (270) | (83,195) |
| Net revenue before taxation | 36,576 | 80,839 |
| Taxation | (10,382) | (14,817) |
| Net revenue after taxation | 26,194 | 66,022 |
| Total return before distributions | 5,801,322 | (148,532) |
| Finance costs: Distributions | (2,966) | (560) |
| Change in net assets attributable to shareholders from investment activities | 5,798,356 | (149,092) |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | 31.05.12 |
|---|-------------------|-------------------|
| | ¥'000 | ¥'000 |
| Opening net assets attributable to shareholders | 12,788,989 | 11,702,905 |
| Amounts receivable on issue of shares of share | 6,354,488 | 4,446,182 |
| Less: Amounts payable on cancellation of shares | (12,266,931) | (1,527,245) |
| | (5,912,443) | 2,918,937 |
| Stamp duty reserve tax | - | - |
| Dilution levy | 37 | - |
| Change in net assets attributable to shareholders (see Statement of Total Return above) | 5,798,356 | (149,092) |
| Retained distribution on Accumulation shares | - | - |
| Closing net assets attributable to shareholders | 12,674,939 | 14,472,750 |

MELCHIOR JAPAN ADVANTAGE FUND

BALANCE SHEET

AS AT 31 MAY 2013

| | 31.05.13 | | 30.11.12 |
|--|-----------|-------------------|-------------------|
| | ¥'000 | ¥'000 | ¥'000 |
| ASSETS | | | |
| Investment assets | | 12,692,086 | 12,451,510 |
| Other assets | | | |
| Debtors | 849,307 | | 488,459 |
| Cash and bank balances | 66,556 | | 427,339 |
| Total other assets | | <u>915,863</u> | <u>915,798</u> |
| Total assets | | <u>13,607,949</u> | <u>13,367,308</u> |
| LIABILITIES | | | |
| Derivative liabilities | | (3,291) | (273) |
| Other liabilities | | | |
| Creditors | (856,333) | | (550,115) |
| Bank overdrafts | (73,386) | | (27,931) |
| Total other liabilities | | <u>(929,719)</u> | <u>(578,046)</u> |
| Total liabilities | | <u>(933,010)</u> | <u>(578,319)</u> |
| Net assets attributable to shareholders | | <u>12,674,939</u> | <u>12,788,989</u> |

MELCHIOR JAPAN OPPORTUNITIES FUND

INVESTMENT MANAGER'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2013

Investment Objective and Policy

The objective of the Fund is to achieve longer term capital growth, without undue risk, through diversified investment in Japanese equities that are issued by companies that have their registered office or carry out a predominant portion of their economic activity in Japan. The Fund may invest in other collective investment schemes and cash. There may be times in light of adverse conditions when the Investment Manager will want to hold positions in cash or near cash instruments.

Investment Review

The Fund was closed on 21 August 2012. All investments and assets were sold on this date hence there is no Manager's Report for this period.

MELCHIOR JAPAN OPPORTUNITIES FUND

COMPARATIVE TABLES

Price and Income History

JPY 'A' Accumulation shares

| Calendar Year | Highest Price ¥ | Lowest Price ¥ | Distribution per share ¥ |
|----------------------|----------------------------|---------------------------|-------------------------------------|
| 2009 | 158.81 | 96.72 | - |
| 2010 | 156.18 | 121.59 | - |
| 2011 | 164.34 | 106.92 | - |
| 2012* | 138.72 | 111.19 | - |

JPY 'B' Accumulation shares

| Calendar Year | Highest Price ¥ | Lowest Price ¥ | Distribution per share ¥ |
|----------------------|----------------------------|---------------------------|-------------------------------------|
| 2009 | 163.14 | 99.20 | - |
| 2010 | 160.96 | 125.57 | - |
| 2011 | 170.11 | 111.29 | - |
| 2012* | 144.48 | 115.72 | - |

JPY 'C' Accumulation shares

| Calendar Year | Highest Price ¥ | Lowest Price ¥ | Distribution per share ¥ |
|----------------------|----------------------------|---------------------------|-------------------------------------|
| 2009** | 160.70 | 97.71 | - |

JPY 'D' Accumulation shares

| Calendar Year | Highest Price ¥ | Lowest Price ¥ | Distribution per share ¥ |
|----------------------|----------------------------|---------------------------|-------------------------------------|
| 2009** | 165.44 | 100.31 | - |

* To 13 August 2012. The Fund was closed on 21 August 2012, all the shares were cancelled and investments were sold.

** To 30 November 2009.

MELCHIOR JAPAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

GBP 'A' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 105.38 | 70.41 | - |
| 2010 | 111.61 | 93.46 | - |
| 2011 | 121.96 | 89.27 | - |
| 2012* | 107.13 | 94.20 | - |

GBP 'B' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 107.28 | 71.61 | - |
| 2010 | 113.92 | 95.46 | - |
| 2011 | 124.75 | 91.60 | - |
| 2012* | 117.14 | 96.30 | - |

GBP 'C' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 106.03 | 70.89 | - |
| 2010 | 112.67 | 94.45 | - |
| 2011 | 123.19 | 90.68 | - |
| 2012* | 107.86 | 95.71 | - |

GBP 'D' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 108.82 | 72.57 | - |
| 2010 | 115.98 | 97.23 | - |
| 2011 | 127.13 | 96.04 | - |

* To 13 August 2012. The Fund was closed on 21 August 2012, all the shares were cancelled and investments were sold.

MELCHIOR JAPAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

EUR 'A' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009 | 1.1868 | 0.7761 | - |
| 2010 | 1.3025 | 1.0471 | - |
| 2011 | 1.4505 | 1.0432 | - |
| 2012* | 1.3602 | 1.1247 | - |

EUR 'B' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009 | 1.2231 | 0.7686 | - |
| 2010*** | 1.3467 | 1.0807 | - |

EUR 'C' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009** | 1.1998 | 0.7831 | - |

EUR 'D' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009** | 1.2368 | 0.8044 | - |

* To 13 August 2012. The Fund was closed on 21 August 2012, all the shares were cancelled and investments were sold

** To 30 November 2009.

*** To 30 November 2010.

MELCHIOR JAPAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

USD 'A' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|-----------------------|----------------------|--|
| 2009 | 1.7245 | 0.9735 | - |
| 2010 | 1.5865 | 1.3710 | - |
| 2011 | 1.8725 | 1.3137 | - |
| 2012* | 1.6013 | 1.3793 | - |

USD 'B' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|-----------------------|----------------------|--|
| 2009 | 1.7762 | 1.0001 | - |
| 2010 | 1.7162 | 1.5058 | - |
| 2011 | 2.0341 | 1.4254 | - |
| 2012* | 1.8208 | 1.5014 | - |

USD 'C' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|-----------------------|----------------------|--|
| 2009** | 1.7466 | 0.9842 | - |

USD 'D' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|-----------------------|----------------------|--|
| 2009** | 1.8005 | 1.0111 | - |

* To 13 August 2012. The Fund was closed on 21 August 2012, all the shares were cancelled and investments were sold.

** To 30 November 2009.

MELCHIOR JAPAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Net Asset Value

| Date | Share Class | Net Asset Value ¥ | Shares in issue | Net Asset Value per share |
|----------|-------------|----------------------|-----------------|------------------------------|
| 30.11.10 | JPY 'A' | 15,247,573 | 114,249 | ¥133.46 |
| | JPY 'B' | 310,535,175 | 2,250,649 | ¥137.98 |
| | GBP 'A' | 41,839,469 | 313,346 | 102.52p |
| | GBP 'B' | 106,520,873 | 780,739 | 104.76p |
| | GBP 'C' | 391,162 | 2,896 | 103.70p |
| | GBP 'D' | 532,858,365 | 3,822,076 | 107.04p |
| | USD 'A' | 851,435 | 6,700 | \$1.5165 |
| | USD 'B' | 354,716 | 2,573 | \$1.6449 |
| | EUR 'A' | 1,249,082 | 9,350 | €1.2230 |
| | EUR 'B' | - | - | - |
| 30.11.11 | JPY 'A' | 36,263,512 | 323,243 | ¥112.19 |
| | JPY 'B' | 66,418,499 | 568,729 | ¥116.78 |
| | GBP 'A' | 40,164,947 | 357,920 | 92.30p |
| | GBP 'B' | 47,927,085 | 417,868 | 94.34p |
| | GBP 'C' | 1,357,461 | 11,907 | 93.77p |
| | GBP 'D' | 83 | - | - |
| | USD 'A' | 715,671 | 6,700 | \$1.3669 |
| | USD 'B' | 465,428 | 4,015 | \$1.4834 |
| | EUR 'A' | 1,049,942 | 9,350 | €1.0823 |
| | EUR 'B' | - | - | - |
| 30.11.12 | JPY 'A' | - | - | - |
| | JPY 'B' | - | - | - |
| | GBP 'A' | - | - | - |
| | GBP 'B' | - | - | - |
| | GBP 'C' | - | - | - |
| | GBP 'D' | - | - | - |
| | USD 'A' | - | - | - |
| | USD 'B' | - | - | - |
| | EUR 'A' | - | - | - |
| | EUR 'B' | - | - | - |
| 30.11.12 | JPY 'A' | - | - | - |
| | JPY 'B' | - | - | - |
| | GBP 'A' | - | - | - |
| | GBP 'B' | - | - | - |
| | GBP 'C' | - | - | - |
| | GBP 'D' | - | - | - |
| | USD 'A' | - | - | - |
| | USD 'B' | - | - | - |
| | EUR 'A' | - | - | - |
| | EUR 'B' | - | - | - |

The Fund was closed on 21 August 2012, all the shares were cancelled and investments were sold.

MELCHIOR JAPAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price Per Share (Ex-distribution)

| Date | Share Class | Price | Yield % |
|----------|-------------|-------|---------|
| 03.06.13 | JPY 'A' | N/A | N/A |
| | JPY 'B' | N/A | N/A |
| | GBP 'A' | N/A | N/A |
| | GBP 'B' | N/A | N/A |
| | GBP 'C' | N/A | N/A |
| | GBP 'D' | N/A | N/A |
| | USD 'A' | N/A | N/A |
| | USD 'B' | N/A | N/A |
| | EUR 'A' | N/A | N/A |
| | EUR 'B' | N/A | N/A |

MELCHIOR JAPAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Ongoing Charges Figure (OCF)

| | 31.05.13 % | | | |
|-------------------------|---------------|----|----|----|
| | A' | B' | C' | D' |
| Ongoing charges figure* | - | - | - | - |

| | 30.11.12 % | | | |
|------------------------|---------------|------|------|------|
| | A' | B' | C' | D' |
| Ongoing charges figure | 2.85 | 2.35 | 2.45 | 2.35 |

* The Fund was closed on 21 August 2012 hence there is no OCF applicable for this period.

The Ongoing Charges Figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Performance to 31 May 2013 (%)

| | 1 year | 3 years | Since launch* |
|---|--------|---------|---------------|
| Melchior Japan Opportunities Fund - JPY 'B' | - | - | - |
| TOPIX (Total Return) Index - JPY | - | - | - |

* Launch date 11 March 2003

Data up to and including 14 August 2012

The performance of the Fund is based on the net asset value per USD 'B' Accumulation share which includes income reinvested, calculated at bid values at the close of business, which differs to the published prices calculated at the Funds valuation point.

MELCHIOR JAPAN OPPORTUNITIES FUND

PORTFOLIO STATEMENT

AS AT 31 MAY 2013

Please note that the Fund was closed on 21 August 2012, all the shares were cancelled and investments were sold.

MELCHIOR JAPAN OPPORTUNITIES FUND

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | | 31.05.12 |
|---|----------|-------|----------|
| | ¥'000 | ¥'000 | ¥'000 |
| Income | | | |
| Net capital gains | | 822 | 15,606 |
| Revenue | 660 | | 3,472 |
| Expenses | (496) | | (888) |
| Finance costs: Interest | (1,026) | | (314) |
| Net (expense)/revenue before taxation | (862) | | 2,270 |
| Taxation | - | | (249) |
| Net (expense)/revenue after taxation | | (862) | 2,021 |
| Total return before distributions | | (40) | 17,627 |
| Finance costs: Distributions | | - | (584) |
| Change in net assets attributable to shareholders from investment activities | | (40) | 17,043 |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | | 31.05.12 |
|---|----------|-------|----------|
| | ¥'000 | ¥'000 | ¥'000 |
| Opening net assets attributable to shareholders | | 40 | 194,363 |
| Amounts receivable on issue of shares of share | - | | 10,295 |
| Less: Amounts payable on cancellation of shares | - | | (67,251) |
| Change in net assets attributable to shareholders (see Statement of Total Return above) | | (40) | (56,956) |
| Closing net assets attributable to shareholders | | - | 17,043 |
| | | - | 154,450 |

MELCHIOR JAPAN OPPORTUNITIES FUND

BALANCE SHEET

AS AT 31 MAY 2013

| | 31.05.13 | 30.11.12 |
|--|----------------|-----------------|
| | ¥'000 | ¥'000 |
| ASSETS | | |
| Investment assets | - | - |
| Other assets | | |
| Debtors | - | - |
| Cash and bank balances | 1,988 | 56,250 |
| Total other assets | <u>1,988</u> | <u>56,250</u> |
| Total assets | <u>1,988</u> | <u>56,250</u> |
| LIABILITIES | | |
| Derivative liabilities | - | - |
| Other liabilities | | |
| Creditors | - | (3,739) |
| Bank overdrafts | (1,988) | (52,471) |
| Total other liabilities | <u>(1,988)</u> | <u>(56,210)</u> |
| Total liabilities | <u>(1,988)</u> | <u>(56,210)</u> |
| Net assets attributable to shareholders | <u>-</u> | <u>40</u> |

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

INVESTMENT MANAGER'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2013

Investment Objective and Policy

The investment objective of the Melchior North American Opportunities Fund is to achieve longer term capital growth, without undue risk, through diversified investment in equities that are issued by companies that have their registered office or carry out a predominant portion of their economic activity in North America. The Fund may invest in cash or near cash instruments. There may be times in light of adverse conditions when the manager will wish to hold positions in collective investment schemes.

Investment Review

The Melchior North American Opportunities Fund's USD 'B' share class rose by 15.26% between the end of November 2012 and the end of May 2013. This compares to a net return (with dividends reinvested) of 16.43% from the benchmark S&P 500 Index ("SPX").

The period under review saw very strong gains in developed equity markets, significantly outpacing both emerging equity markets and government bond markets. In sterling terms the MSCI World Index posted a total return of 20% over the six months, with the MSCI Emerging Markets index up just over 7% and the BofA Merrill Lynch Global Broad Market Bond Index up 1.6%.

Investors shrugged off the uncertainties of 2011 and 2012 and sought out the riskier areas of the equity markets, with the strongest sector returns coming in financials, consumer discretionary and health care (with bio techs doing particularly well). Small caps beat large caps for the first period in a long while, and in style terms value stocks edged ahead of growth as represented by the MSCI Indices.

At a regional level Japan was the clear winner, with both the election of Prime Minister Abe and the succession of Haruhiko Kuroda to the governorship of the Bank of Japan (BoJ) ushering in an explicit plan to reflate the Japanese economy and break the decades long grip of deflation. Both the anticipation of this policy and the announcement of new and substantial quantitative easing by the BoJ in April added rocket fuel to the stock market as the yen declined significantly versus other currencies. The TOPIX Index first section was up nearly 47% in yen over the six months, but only 27% in sterling. One strategist's rallying cry was: buy Japan, hedge the yen. By the end of May some steam was escaping this rally as the realities of sustaining a much lower yen and making structural change to the Japanese economy became clear.

Elsewhere both the United States and Europe did well for equity investors, with America enjoying the better returns for a sterling based investor. Better signs of underlying economic strength in the US, particularly in the housing market, trumped continuing concerns over the federal budget as talk of sequestration and the deficit ceiling faded from the turn of the year. Sustained QE by the Federal Reserve was cat nip for equity investors. And in Europe the ECB promise to do "whatever it takes" was taken on faith by investors despite worsening data on unemployment and real GDP – and despite the Cypriot "bail in" of depositors and bond holders. Even corruption allegations in Spain and Italian electoral uncertainty couldn't dent the market rally.

In Asia the benefit of "risk on" boosted the developing economies but was dampened by the weak performance of commodity and resource stocks in Australia – also a significant factor in the poor performance of Russia and Brazil. Concerns over slowing Chinese growth weighed somewhat on investors.

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

INVESTMENT MANAGER'S REPORT (continued)

Investment Review (continued)

Notable individual stock highlights were Celgene, Financial Engines and Lumber Liquidators, whilst poorly performing holdings included Walter Investment Management, Ulta Salon Cosmetics & Fragr and Fusion-io.

DALTON CAPITAL (GUERNSEY) LIMITED

Investment Manager

2 July 2013

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

COMPARATIVE TABLES

Price and Income History

USD 'A' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|----------------------|---------------------------|--------------------------|--|
| 2009 | 1.9685 | 1.2288 | - |
| 2010 | 2.5014 | 1.8461 | - |
| 2011 | 2.8035 | 2.0111 | - |
| 2012 | 2.7435 | 2.2849 | - |
| 2013* | 3.0736 | 2.7193 | - |

USD 'B' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|----------------------|---------------------------|--------------------------|--|
| 2009 | 2.0139 | 1.2543 | - |
| 2010 | 2.5746 | 1.8920 | - |
| 2011 | 2.8904 | 2.0779 | - |
| 2012 | 2.8585 | 2.3646 | - |
| 2013* | 3.2084 | 2.8387 | - |

USD 'C' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|----------------------|---------------------------|--------------------------|--|
| 2009 | 1.9890 | 1.2368 | - |
| 2010 | 2.5457 | 1.8695 | - |
| 2011 | 2.8386 | 2.0579 | - |
| 2012 | 2.8353 | 2.3429 | - |
| 2013* | 3.1859 | 2.8172 | - |

* To 31 May 2013.

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

USD 'I' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|-----------------------|----------------------|--|
| 2009 | 2.0443 | 1.2661 | - |
| 2010 | 2.5860 | 1.9228 | - |
| 2011 | 2.8975 | 2.0989 | - |
| 2012 | 2.8148 | 2.3863 | - |
| 2013* | - | - | - |

GBP 'A' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 121.94 | 87.33 | - |
| 2010 | 161.48 | 117.85 | - |
| 2011 | 168.04 | 130.48 | - |
| 2012** | 169.81 | 146.55 | - |
| 2013* | 203.05 | 169.51 | - |

GBP 'I' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 124.90 | 89.18 | - |
| 2010 | 166.60 | 120.99 | - |
| 2011 | 173.64 | 135.14 | - |
| 2012** | 176.70 | 151.99 | - |
| 2013* | 212.64 | 176.76 | - |

* To 2 July 2012.

** To 31 May 2013.

The USD 'D' Accumulation share class was renamed USD 'I' Accumulation on 1 January 2013.

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

GBP 'C' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 88.55 | 124.14 | - |
| 2010 | 163.31 | 120.21 | - |
| 2011 | 168.77 | 131.76 | - |
| 2012 | 170.71 | 147.19 | - |
| 2013* | 204.39 | 170.20 | - |

GBP 'D' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 127.40 | 90.60 | - |
| 2010 | 168.50 | 123.76 | - |
| 2011 | 175.13 | 137.36 | - |
| 2012 | 180.64 | 154.71 | - |
| 2013* | 217.86 | 180.97 | - |

GBP 'A' Hedged Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009** | 95.07 | 61.80 | - |

* To 31 May 2013.

** To 30 November 2009.

As at 1 January 2013 the name of GBP 'B' Accumulation shares was changed to GBP 'I' Accumulation shares and GBP 'B' Hedged Accumulation shares was changed to GBP 'I' Hedged Accumulation shares.

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

GBP 'I' Hedged Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 97.98 | 62.99 | - |
| 2010 | 122.27 | 91.65 | - |
| 2011 | 140.07 | 101.00 | - |
| 2012 | 139.83 | 115.43 | - |
| 2013* | 158.90 | 140.05 | - |

GBP 'C' Hedged Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009** | 96.51 | 62.43 | - |

GBP 'D' Hedged Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009** | 98.49 | 63.76 | - |

EUR 'A' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009** | 1.3022 | 0.9669 | - |

EUR 'B' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009** | 1.3286 | 0.9767 | - |

* To 31 May 2013.

** To 30 November 2009.

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

EUR 'C' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009* | 1.3328 | 0.9792 | - |

EUR 'D' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009* | 1.3713 | 1.0019 | - |

* To 30 November 2009.

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Net Asset Value

| Date | Share Class | Net Asset Value US\$ | Shares in issue | Net Asset Value per share |
|----------|----------------|----------------------|-----------------|---------------------------|
| 30.11.10 | USD 'A' | 5,294,398 | 2,269,643 | \$2.3327 |
| | USD 'B' | 69,363,181 | 28,898,906 | \$2.4002 |
| | USD 'C' | 18,985 | 8,000 | \$2.3731 |
| | USD 'D' | 18,614,814 | 7,687,430 | \$2.4215 |
| | GBP 'A' | 701,420 | 301,067 | 149.90p |
| | GBP 'B' | 26,070,989 | 10,849,892 | 154.61p |
| | GBP 'C' | 213,389 | 90,597 | 151.55p |
| | GBP 'D' | 1,662,395 | 681,204 | 157.02p |
| | GBP 'B' Hedged | 1,473,350 | 814,320 | 116.41p |
| 30.11.11 | USD 'A' | 7,797,520 | 3,565,358 | \$2.1870 |
| | USD 'B' | 56,925,933 | 25,171,222 | \$2.2615 |
| | USD 'C' | 17,821 | 8,000 | \$2.2276 |
| | USD 'D' | 1,714,728 | 750,000 | \$2.2863 |
| | GBP 'A' | 1,353,102 | 619,572 | 140.37p |
| | GBP 'B' | 17,054,298 | 7,532,779 | 145.52p |
| | GBP 'C' | 3,820,119 | 2,236,238 | 109.80p |
| | GBP 'D' | 1,465,550 | 666,035 | 141.43p |
| | GBP 'B' Hedged | 4,885,355 | 2,121,115 | 148.04p |
| 30.11.12 | USD 'A' | 1,996,693 | 768,588 | \$2.60 |
| | USD 'B' | 33,755,869 | 12,455,557 | \$2.71 |
| | USD 'C' | 21,512 | 8,000 | \$2.69 |
| | GBP 'A' | 1,004,145 | 385,087 | 162.85p |
| | GBP 'I' | 27,076,469 | 9,967,853 | 169.64p |
| | GBP 'C' | 229,093 | 87,537 | 163.44p |
| | GBP 'D' | 1,687,730 | 606,963 | 173.65p |
| | | GBP 'I' Hedged | 1,457,133 | 687,150 |
| 31.05.13 | USD 'A' | 14,985 | 5,011 | \$2.99 |
| | USD 'B' | 17,763,625 | 5,688,535 | \$3.12 |
| | USD 'C' | 12,404 | 4,000 | \$3.10 |
| | GBP 'A' | 595,515 | 215,673 | 181.68p |
| | GBP 'I' | 24,090,663 | 7,673,681 | 206.57p |
| | GBP 'C' | 56,117 | 18,597 | 198.55p |
| | GBP 'D' | 1,401,343 | 435,664 | 211.64p |
| | | GBP 'I' Hedged | 261,652 | 111,250 |

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price Per Share (Ex-distribution)

| Date | Share Class | Price | Yield % |
|----------|----------------|----------|---------|
| 03.06.13 | USD 'A' | \$2.9734 | 0.80 |
| | USD 'B' | \$3.1049 | 0.60 |
| | USD 'C' | \$3.0834 | 0.60 |
| | GBP 'A' | 194.55p | 0.60 |
| | GBP 'I' | 206.51p | 0.60 |
| | GBP 'C' | 153.84p | 0.40 |
| | GBP 'D' | 195.86p | 0.80 |
| | GBP 'I' Hedged | 208.79p | 0.70 |

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Ongoing Charges Figure (OCF)

| | 31.05.13 % | | | | |
|------------------------|---------------|------|------|------|------|
| | A' | B' | C' | D' | I' |
| Ongoing charges figure | 2.78 | 2.28 | 2.13 | 1.63 | 2.28 |

| | 30.11.12 % | | | | |
|------------------------|---------------|------|------|------|------|
| | A' | B' | C' | D' | I' |
| Ongoing charges figure | 2.36 | 1.86 | 1.71 | 1.21 | 1.86 |

The Ongoing Charges Figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Synthetic Risk and Reward Calculator

Lower Risk

Higher Risk

Typically lower rewards

Typically higher rewards



The SRRI table demonstrates where a Fund ranks in terms of risk and reward. The higher the risk the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the risk profile of the Fund. The shaded area on the table above shows the Fund's ranking on the risk and reward indicator.

Fund Performance to 31 May 2013 (%)

| | 1 year | 3 years | Since launch* |
|--|--------|---------|---------------|
| Melchior North American Opportunities Fund - USD 'B' | 24.66% | 48.69% | 62.31% |
| S&P 500 Index - USD | 27.28% | 59.64% | 66.47% |

* Launch date 12 January 2006.

The performance of the Fund is based on the net asset value per USD 'B' Accumulation share which includes income reinvested, calculated at bid values at the close of business, which differs to the published prices calculated at the Funds valuation point.

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

PORTFOLIO STATEMENT

AS AT 31 MAY 2013

| Holding | Portfolio of Investments | Value US\$ | Total Net Assets | |
|------------------------|--------------------------------|-------------------------|---------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| OIL & GAS | | | | |
| 7,970 | Cabot Oil & Gas | <u>560,769</u> | <u>1.27</u> | 1.14 |
| BASIC MATERIALS | | | | |
| 10,480 | Eagle Materials | 773,004 | 1.74 | |
| 24,290 | Fortune Brands Home & Security | 1,026,738 | 2.32 | |
| 9,430 | Home Depot | 741,952 | 1.68 | |
| 8,690 | Lumber Liquidators | 713,362 | 1.61 | |
| 31,450 | NCI Building Systems | 447,449 | 1.01 | |
| 18,100 | Tile Shop Holdings | <u>463,360</u> | <u>1.05</u> | |
| | TOTAL BASIC MATERIALS | <u>4,165,865</u> | <u>9.41</u> | 6.93 |
| INDUSTRIALS | | | | |
| 4,280 | Alliance Data Systems | 757,988 | 1.72 | |
| 10,840 | Brunswick | 363,790 | 0.82 | |
| 8,250 | First Solar | 448,634 | 1.01 | |
| 8,040 | Illumina | 565,373 | 1.28 | |
| 4,850 | Middleby | 798,589 | 1.81 | |
| 14,900 | PerkinElmer | 466,668 | 1.06 | |
| 17,990 | Smith & Wesson | <u>705,028</u> | <u>1.60</u> | |
| | TOTAL INDUSTRIALS | <u>4,106,070</u> | <u>9.30</u> | 22.08 |
| CONSUMER GOODS | | | | |
| 20,220 | Best Buy | 557,061 | 1.26 | |
| 7,810 | Costco Wholesale | 856,210 | 1.94 | |
| 14,850 | GAP | 602,168 | 1.36 | |
| 32,510 | J. C. Penney Company | 571,526 | 1.29 | |
| 15,560 | Susser | 736,610 | 1.67 | |
| 11,880 | Walt Disney | 760,545 | 1.72 | |
| 21,360 | Winnebago Industries | 443,865 | 1.00 | |
| 18,000 | Zumiez | <u>572,400</u> | <u>1.30</u> | |
| | TOTAL CONSUMER GOODS | <u>5,100,385</u> | <u>11.54</u> | 12.03 |
| HEALTHCARE | | | | |
| 34,690 | AMN Healthcare Services | 464,152 | 1.05 | |
| 5,850 | Celgene | 722,651 | 1.64 | |
| 9,500 | Covance | 708,320 | 1.60 | |
| 5,040 | Onyx Pharmaceuticals | 481,068 | 1.09 | |
| 1,890 | Regeneron Pharmaceuticals | <u>457,134</u> | <u>1.03</u> | |
| | TOTAL HEALTHCARE | <u>2,833,325</u> | <u>6.41</u> | 9.31 |

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value US\$ | Total Net Assets | |
|----------------------------|--------------------------------|------------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| CONSUMER SERVICES | | | | |
| 6,595 | Brown-Forman Class B | 453,934 | 1.03 | |
| 17,160 | eBay | 928,699 | 2.10 | |
| 12,630 | H&R Block | 369,680 | 0.84 | |
| 22,800 | Ixia | 358,188 | 0.81 | |
| 12,150 | OpenTable | 809,312 | 1.83 | |
| 12,670 | PAREXEL International | 578,512 | 1.31 | |
| 73,760 | Standard Pacific | 652,038 | 1.48 | |
| 18,900 | Trulia | 581,175 | 1.31 | |
| 12,420 | United Rentals | 705,704 | 1.60 | |
| | TOTAL CONSUMER SERVICES | 5,437,242 | 12.31 | 20.87 |
| FINANCIALS | | | | |
| 9,610 | Accenture 'A' | 793,548 | 1.80 | |
| 24,750 | Citigroup | 1,287,000 | 2.91 | |
| 15,360 | Discover Financial Services | 728,371 | 1.65 | |
| 7,550 | Everbank Financial | 118,460 | 0.27 | |
| 15,270 | Evercore Partners | 605,914 | 1.37 | |
| 26,540 | Financial Engines | 1,144,139 | 2.59 | |
| 19,410 | Invesco | 654,893 | 1.48 | |
| 11,810 | Moody's | 785,011 | 1.78 | |
| 19,830 | Morgan Stanley | 513,597 | 1.16 | |
| 14,840 | Nationstar Mortgage | 604,136 | 1.37 | |
| 4,480 | VISA 'A' | 798,202 | 1.81 | |
| 48,700 | Western Alliance Bancorp | 717,351 | 1.62 | |
| | TOTAL FINANCIALS | 8,750,622 | 19.81 | 13.91 |
| INDEX TRACKER FUNDS | | | | |
| 1,870 | SPDR S&P 5 ETF Trust | 305,633 | 0.69 | 1.01 |
| TECHNOLOGY | | | | |
| 9,640 | 3D Systems | 466,383 | 1.06 | |
| 101,680 | AMD | 405,703 | 0.92 | |
| 14,720 | Cornerstone OnDemand | 597,338 | 1.35 | |
| 6,390 | ExOne | 315,410 | 0.71 | |
| 1,180 | Google 'A' | 1,027,084 | 2.32 | |
| 3,620 | LinkedIn 'A' | 607,038 | 1.37 | |
| 33,200 | RIM | 463,140 | 1.05 | |
| 4,850 | Roper Industries | 602,128 | 1.36 | |
| 13,200 | Sandisk | 779,064 | 1.76 | |
| 8,030 | Sourcefire | 460,402 | 1.04 | |
| 14,930 | Synaptics | 616,816 | 1.40 | |

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

PORTFOLIO STATEMENT (continued)

| Holding | Portfolio of Investments | Value US\$ | Total Net Assets | |
|-------------|---|-------------------|------------------|---------------|
| | | | 31.05.13 % | 30.11.12 % |
| | TECHNOLOGY (continued) | | | |
| 30,260 | Take-Two Interactive Software | 503,224 | 1.14 | |
| 4,330 | Wabtec | 476,300 | 1.08 | |
| | TOTAL TECHNOLOGY | 7,320,030 | 16.56 | 13.67 |
| | INSURANCE | | | |
| 9,770 | AIG | 434,277 | 0.98 | |
| 9,610 | Allstate | 463,683 | 1.05 | |
| | TOTAL INSURANCE | 897,960 | 2.03 | - |
| | TRANSPORTATION | | | |
| 6,760 | Boeing | 669,375 | 1.51 | |
| 14,730 | Spirit Airlines | 447,792 | 1.01 | |
| 40,220 | Swift Transportation | 677,305 | 1.53 | |
| | TOTAL TRANSPORTATION | 1,794,472 | 4.05 | - |
| | FOOD & BEVERAGE | | | |
| 13,130 | ConAgra Foods | 442,350 | 1.00 | |
| 22,080 | Flowers Foods | 736,589 | 1.67 | |
| 7,610 | Green Mountain Coffee Roasters | 556,519 | 1.26 | |
| 5,850 | J.M. Smucker | 590,733 | 1.34 | |
| | TOTAL FOOD & BEVERAGE | 2,326,191 | 5.27 | - |
| | FORWARD CURRENCY CONTRACTS | | | |
| \$(8,442) | Sold USD, Bought GBP 9,443 for settlement 28/06/2013 | (21) | - | |
| \$(256,203) | Sold USD, Bought GBP 256,203 for settlement 28/06/2013 | (4,719) | (0.01) | |
| | TOTAL FORWARD CURRENCY CONTRACTS | (4,740) | (0.01) | (0.01) |
| | Portfolio of investments | 43,593,824 | 98.64 | 100.94 |
| | Net other assets/(liabilities) | 602,481 | 1.36 | (0.94) |
| | Net assets | 44,196,305 | 100.00 | 100.00 |

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

PORTFOLIO STATEMENT (continued)

| Portfolio of Investments | Market Value US\$ | Percentage of Total Investments | |
|-------------------------------|-------------------------|---------------------------------------|---------------|
| | | 31.05.13 % | 30.11.12 % |
| Index Tracker Funds | 305,633 | 0.70 | 1.00 |
| Equities | 43,292,930 | 99.30 | 99.10 |
| Forward FX Currency Contracts | (4,739) | 0.00 | (0.01) |
| | 43,593,824 | 100.00 | 100.00 |

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2013

| | US\$ | 31.05.13 US\$ | US\$ | 31.05.12 US\$ |
|---|-----------|------------------|-----------|------------------|
| Income | | | | |
| Net capital gains | | 7,193,201 | | 9,806,690 |
| Revenue | 408,360 | | 1,120,014 | |
| Expenses | (489,618) | | (779,026) | |
| Finance costs: Interest | (2,833) | | (720,941) | |
| Net (expense)/revenue before taxation | (84,091) | | 379,953 | |
| Taxation | (65,536) | | (60,310) | |
| Net expense after taxation | | (149,627) | | (440,263) |
| Total return before distributions | | 7,043,574 | | 9,366,427 |
| Finance costs: Distributions | | (54,284) | | (47) |
| Change in net assets attributable to shareholders from investment activities | | 6,989,290 | | 9,366,380 |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2013

| | US\$ | 31.05.13 US\$ | US\$ | 31.05.12 US\$ |
|---|--------------|-------------------|--------------|-------------------|
| Opening net assets attributable to shareholders | | 67,228,644 | | 95,034,526 |
| Amounts receivable on issue of shares of share | 3,910,790 | | 43,020,700 | |
| Less: Amounts payable on cancellation of shares | (33,932,419) | | (71,409,758) | |
| | | (30,021,629) | | (28,389,058) |
| Stamp duty reserve tax | | - | | - |
| Change in net assets attributable to shareholders (see Statement of Total Return above) | | 6,989,290 | | 9,366,380 |
| Closing net assets attributable to shareholders | | 44,196,305 | | 76,011,848 |

MELCHIOR NORTH AMERICAN OPPORTUNITIES FUND

BALANCE SHEET

AS AT 31 MAY 2013

| | | 31.05.13 | | 30.11.12 |
|--|-------------|--------------------|-------------|--------------------|
| | US\$ | US\$ | US\$ | US\$ |
| ASSETS | | | | |
| Investment assets | | 43,598,564 | | 67,869,913 |
| Other assets | | | | |
| Debtors | 3,769,448 | | 601,737 | |
| Cash and bank balances | 664,029 | | 629,945 | |
| Total other assets | | <u>4,433,477</u> | | <u>1,231,682</u> |
| Total assets | | <u>48,032,041</u> | | <u>69,101,595</u> |
| LIABILITIES | | | | |
| Derivative liabilities | | (4,739) | | (8,624) |
| Other liabilities | | | | |
| Creditors | (3,677,419) | | (693,895) | |
| Bank overdrafts | (153,578) | | (1,170,432) | |
| Total other liabilities | | <u>(3,830,997)</u> | | <u>(1,864,327)</u> |
| Total liabilities | | <u>(3,835,736)</u> | | <u>(1,872,951)</u> |
| Net assets attributable to shareholders | | <u>44,196,305</u> | | <u>67,228,644</u> |

MELCHIOR UK OPPORTUNITIES FUND

INVESTMENT MANAGER'S REPORT

FOR THE HALF YEAR ENDED 31 MAY 2013

Investment Objective and Policy

The investment objective of the Melchior UK Opportunities Fund is to achieve longer term capital growth without undue risk, through diversified investment in equities that are issued by companies that have their registered office or carry out a predominant portion of their economic activity in the United Kingdom. The Fund may also invest up to 20% of its value in equities that are issued by companies that do not have their registered office or carry out a predominant portion of their economic activity in the United Kingdom. Equally, the Fund may also invest in other collective investment schemes and cash. There may be times in light of adverse conditions when the manager will wish to hold positions in cash or near cash instruments.

Investment Review

The Fund was closed on 21 August 2012. All investments and assets were sold on this date hence there is no Manager's Report for this period.

MELCHIOR UK OPPORTUNITIES FUND

COMPARATIVE TABLES

Price and Income History

GBP 'A' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 81.05 | 53.51 | 0.1595 |
| 2010 | 94.64 | 74.74 | - |
| 2011 | 100.75 | 74.15 | - |
| 2012** | 94.60 | 79.76 | - |

GBP 'B' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 81.74 | 53.97 | 0.2956 |
| 2010 | 95.99 | 75.64 | 0.0685 |
| 2011 | 102.25 | 75.46 | 0.2674 |
| 2012** | 96.55 | 81.50 | 0.4000 |

GBP 'C' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 82.46 | 54.20 | 0.3964 |
| 2010 | 96.70 | 76.11 | - |
| 2011* | 102.30 | 93.52 | 0.0833 |

GBP 'D' Accumulation shares

| Calendar Year | Highest Price p | Lowest Price p | Distribution per share p |
|---------------|--------------------|-------------------|-----------------------------|
| 2009 | 82.87 | 54.27 | 0.6218 |
| 2010 | 98.09 | 77.03 | 0.3938 |
| 2011 | 103.54 | 77.22 | 0.8741 |
| 2012** | 98.57 | 83.70 | 1.0245 |

* To 30 November 2011.

** To 13 August 2012. The Fund was closed on 21 August 2012, all the shares were cancelled and investments were sold.

MELCHIOR UK OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

EUR 'A' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009* | 0.9092 | 0.5802 | 0.3640 |

EUR 'B' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009* | 0.9400 | 0.5786 | - |

EUR 'C' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009* | 0.9212 | 0.5995 | 0.4114 |

EUR 'D' Accumulation shares

| Calendar Year | Highest Price € | Lowest Price € | Distribution per share € (cents) |
|---------------|--------------------|-------------------|-------------------------------------|
| 2009* | 0.9414 | 0.5932 | 0.6652 |

USD 'A' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|---------------|-----------------------|----------------------|--|
| 2009* | 1.3548 | 0.7436 | 0.4686 |

* To 30 November 2009.

MELCHIOR UK OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Price and Income History (continued)

USD 'B' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|----------------------|---------------------------|--------------------------|--|
| 2009 | 1.3830 | 0.7543 | 0.5783 |
| 2010 | 1.4966 | 1.1123 | 0.4925 |
| 2011 | 1.6611 | 1.1745 | 0.5376 |
| 2012* | 1.5451 | 1.2538 | 0.3969 |

USD 'C' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|----------------------|---------------------------|--------------------------|--|
| 2009** | 1.3435 | 0.7417 | 0.4348 |

USD 'D' Accumulation shares

| Calendar Year | Highest Price US\$ | Lowest Price US\$ | Distribution per share US\$ (cents) |
|----------------------|---------------------------|--------------------------|--|
| 2009** | 1.4089 | 0.7635 | 0.8537 |

* To 13 August 2012. The Fund was closed on 21 August 2012, all the shares were cancelled and investments were sold.

** To 30 November 2009.

MELCHIOR UK OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Net Asset Value

| Date | Share Class | Net Asset Value £ | Shares in issue | Net Asset Value per share |
|----------|-------------|----------------------|-----------------|------------------------------|
| 30.11.10 | GBP 'A' | 1,352,953 | 1,556,731 | 86.91p |
| | GBP 'B' | 5,001,533 | 5,676,056 | 88.12p |
| | GBP 'C' | 1,267 | 1,427 | 88.76p |
| | GBP 'D' | 225,821 | 250,923 | 90.00p |
| | USD 'B' | 7,639,500 | 8,611,199 | \$1.3788 |
| 30.11.11 | GBP 'A' | 1,010,330 | 1,210,472 | 83.47p |
| | GBP 'B' | 2,474,539 | 2,908,792 | 85.07p |
| | GBP 'C' | - | - | - |
| | GBP 'D' | 1,096,084 | 1,258,656 | 87.08p |
| | USD 'B' | 302,455 | 353,940 | \$1.3295 |
| 30.11.12 | GBP 'A' | - | - | - |
| | GBP 'B' | - | - | - |
| | GBP 'C' | - | - | - |
| | GBP 'D' | - | - | - |
| | USD 'B' | - | - | - |
| 31.05.13 | GBP 'A' | - | - | - |
| | GBP 'B' | - | - | - |
| | GBP 'C' | - | - | - |
| | GBP 'D' | - | - | - |
| | USD 'B' | - | - | - |

The Fund was closed on 21 August 2012, all the shares were cancelled and investments were sold.

Price Per Share (Ex-distribution)

| Date | Share Class | Price | Yield % |
|----------|-------------|-------|---------|
| 03.06.13 | GBP 'A' | N/A | N/A |
| | GBP 'B' | N/A | N/A |
| | GBP 'C' | N/A | N/A |
| | GBP 'D' | N/A | N/A |
| | USD 'B' | N/A | N/A |

MELCHIOR UK OPPORTUNITIES FUND

COMPARATIVE TABLES (continued)

Ongoing Charges Figure (OCF)

| | 31.05.13 % | | | |
|-------------------------|---------------|----|----|----|
| | A' | B' | C' | D' |
| Ongoing charges figure* | - | - | - | - |

| | 30.11.12 % | | | |
|------------------------|---------------|------|------|------|
| | A' | B' | C' | D' |
| Ongoing charges figure | 2.37 | 1.87 | 1.72 | 1.22 |

* The Fund was closed on 21 August 2012 hence there is no OCF applicable for this period.

The Ongoing Charges Figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Performance to 31 May 2013 (%)

| | 1 year | 3 years | Since launch* |
|-------------------------------------|--------|---------|---------------|
| Melchior UK Opportunities Fund | - | - | - |
| FTSE All-Share Index (Total Return) | - | - | - |

* Launch date 11 May 2006.

Data up to and including 13.08.2012

The performance of the Fund is based on the net asset value per USD 'B' Accumulation share which includes income reinvested, calculated at bid values at the close of business, which differs to the published prices calculated at the Funds valuation point.

MELCHIOR UK OPPORTUNITIES FUND

PORTFOLIO STATEMENT

AS AT 31 MAY 2013

Please note that the Fund was closed on 13 August 2012, all the shares were cancelled and investments were sold.

MELCHIOR UK OPPORTUNITIES FUND

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | 31.05.12 |
|---|----------------|-----------------|
| £ | £ | £ |
| Income | | |
| Net capital gains/(losses) | 23 | (72,436) |
| Revenue | (1,915) | 43,063 |
| Expenses | - | (65,294) |
| Finance costs: Interest | (14) | (34) |
| Net expense before taxation | (1,929) | (22,265) |
| Taxation | - | - |
| Net expense after taxation | (1,929) | (22,265) |
| Total return before distributions | (1,906) | (94,701) |
| Finance costs: Distributions | - | (315) |
| Change in net assets attributable to shareholders from investment activities | (1,906) | (95,016) |

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 MAY 2013

| | 31.05.13 | 31.05.12 |
|---|---------------|------------------|
| £ | £ | £ |
| Opening net assets attributable to shareholders | 30,500 | 4,883,398 |
| Amounts receivable on issue of shares of share | - | 46,696 |
| Less: Amounts payable on cancellation of shares | - | (1,327,606) |
| Stamp duty reserve tax | - | (45) |
| Change in net assets attributable to shareholders (see Statement of Total Return above) | (1,906) | (95,016) |
| Closing net assets attributable to shareholders | 28,594 | 3,507,427 |

MELCHIOR UK OPPORTUNITIES FUND

BALANCE SHEET

AS AT 31 MAY 2013

| | 31.05.13 | 30.11.12 |
|--|---------------|-----------------|
| £ | £ | £ |
| ASSETS | | |
| Investment assets | - | - |
| Other assets | | |
| Debtors | 173 | 889 |
| Cash and bank balances | 29,345 | 60,339 |
| Total other assets | <u>29,518</u> | <u>61,228</u> |
| Total assets | <u>29,518</u> | <u>61,228</u> |
| LIABILITIES | | |
| Derivative liabilities | - | - |
| Other liabilities | | |
| Creditors | - | (27,251) |
| Bank overdrafts | (924) | (3,477) |
| Total other liabilities | <u>(924)</u> | <u>(30,728)</u> |
| Total liabilities | <u>(924)</u> | <u>(30,728)</u> |
| Net assets attributable to shareholders | <u>28,594</u> | <u>30,500</u> |

GENERAL INFORMATION

Structure of Melchior Investment Funds

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority and the agreement of the Depositary. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. Each sub-fund of Melchior Investment Funds has its own base currency.

The sub-funds which are currently available and their respective base currencies are detailed below:

Melchior Asian Opportunities Fund – US dollars

Melchior Global Equity Fund – Pounds sterling

Melchior Japan Advantage Fund – Japanese yen

Melchior North American Opportunities Fund – US dollars

In the future there may be other sub-funds of the Company.

Classes of Shares

The Company can issue Income and Accumulation Shares.

Holders of Income shares are entitled to be paid the income attributable to such shares in respect of each annual or interim accounting period, as applicable for the relevant sub-fund.

Holders of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

Valuation Point

The valuation point of the Funds with the exception of Melchior North American Opportunities Fund and Melchior Global Equity Fund is 11.00 hours on each business day. The valuation point for Melchior North American Fund and Melchior Global Equity Fund is 22.30 hours on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 9.00am and 5.30pm. Instructions to buy or sell shares may be either in writing to: Northern Trust Global Services Limited, P.O. Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG or by telephone on 0870 870 8439. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

GENERAL INFORMATION (continued)

Prices

The most recent buying and selling prices of shares are available on the website of the Investment Management Association at www.investmentuk.org under the heading Northern Trust Global Services Limited, P.O. Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG or by calling 0870 870 8439 during the ACD's normal business hours.

Other Information

The Instrument of Incorporation, Prospectus, Key investor information documents and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Data Protection

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

Risk Warning

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

As a sub-fund is not a legal entity, if the assets of one sub-fund are insufficient to meet the liabilities attributable to it, the ACD may re-allocate such liabilities between the sub-funds then in existence in a manner which is fair to shareholders generally. This re-allocation will normally be performed on the basis of the respective net asset values of the sub-funds.

Melchior



investment architecture

Thesis Unit Trust Management Limited
Exchange Building
St. John's Street
Chichester
West Sussex PO19 1UP
www.tutman.co.uk