

Management company:

Edmond de Rothschild Asset Management (Luxembourg)

Investment manager:

Dalton Strategic Partnership LLP

Investment objective:

Capital appreciation through selective investment in Far East ex Japan equities.

Investment style:

Bottom-up, fundamental stock selection process across all market capitalisations, producing a concentrated portfolio.

Countries of registration:

Austria, Finland, France, Germany, Ireland, Italy (qualified investors), Luxembourg, Norway, Spain, Sweden, Switzerland and United Kingdom.

[Please note that individual share class registrations will vary by country. For a full list of registrations by individual share class, please refer to [Melchior Fund Codes and Registrations](#)]

Fund size: \$32.6m

Number of stocks: 39

Base currency: US Dollars (USD)

Share classes: B (Euro, USD)
I (GBP, USD)

Fees:

B shares 1.65%
I shares 0.85%

Minimum investment:

B & I shares \$10,000 (equivalent)

Legal status: Luxembourg SICAV with UCITS status

Fund dealing: Daily

Dealing cut off: 14:00 (Luxembourg)

Benchmark: MSCI AC Far East ex Japan Index
(Used for comparison purposes only)

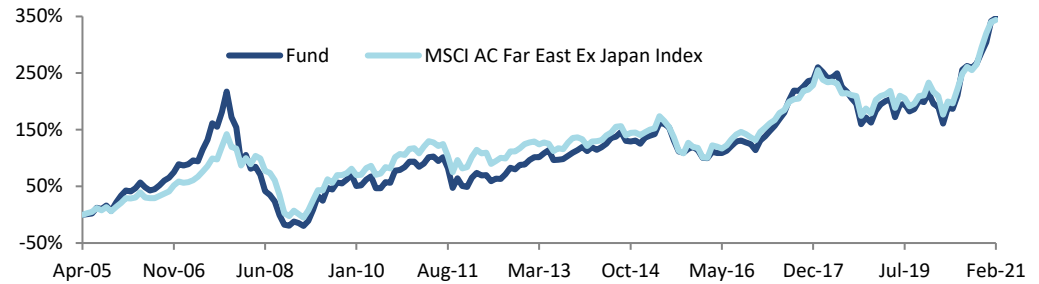
Fund launch: 5 April 2005*

*The Melchior Asian Opportunities Fund merged into a sub-fund of our Luxembourg-domiciled UCITS umbrella SICAV called Melchior Selected Trust on 12 June 2015. Previously, the Melchior Asian Opportunities Fund was a constituent of our UK OEIC, Melchior Investment Funds.

Risk warning:

Investors should carefully consider the usual risks of investing and participating in listed and unlisted securities. For more information please consult the current fund and share class specific Key Investor Information Document (KIID) and for a complete set of risks please refer to "VIII: General Risk Considerations", which can be found on pages 27-37 of the current prospectus.

Percentage growth, total return (USD)



%	1 month	3 months	YTD	1 year	3 years	5 years	Since inception
Fund	1.23	15.76	10.47	53.87	27.13	123.64	87.35
Benchmark*	0.81	12.46	5.68	43.38	31.29	121.40	134.54

%	2020	2019	2018	2017	2016
Fund	28.51	19.94	-22.25	57.75	-0.07
Benchmark*	26.04	19.45	-15.14	42.16	6.21

%**	31.12.20	31.12.19	31.12.18	31.12.17	31.12.16	31.12.15
Fund	28.5	19.9	-22.2	57.7	-0.1	-0.1
Benchmark*	26.0	19.4	-15.1	42.2	6.2	6.2

1 year historical characteristics	Beta	Tracking error	Volatility
Fund	0.88	10.67	23.50
Benchmark*	-	-	23.85

Past performance is not a reliable indicator of future performance.

Source: Dalton Strategic Partnership (performance data & risk characteristics), as at 28 February 2021. The performance before 12 June 2015 relates to the Melchior Asian Opportunities Fund which was a constituent of our UK OEIC, Melchior Investment Funds. *MSCI AC Far East ex Japan index is used for comparison purposes only. **The standardised past performance information is updated on a quarterly basis. Past performance is not a reliable indicator of future returns; the growth rate is sensitive to currency fluctuations in USD. Performance and risk information has been provided for the B-USD share class, net of fees. All performance and risk data is in US dollars, the fund's base currency.

Sector holdings %	Fund	Bmk*	Country weightings %†	Fund	Bmk*
Information Technology	34.5	24.1	Hong Kong	48.2	35.2
Consumer Discretionary	21.2	20.4	Taiwan	24.7	17.1
Industrials	13.3	5.3	South Korea	7.2	16.4
Communication Services	10.3	13.3	China	-	5.8
Financials	7.2	16.7	Singapore	-	2.6
Materials	2.4	3.8	Thailand	-	2.3
Consumer Staples	2.2	4.1	Malaysia	-	1.7
Health Care	2.2	4.5	Indonesia	-	1.6
Utilities	1.9	2.0	Philippines	-	0.8
Real Estate	0.9	4.4	USA	16.0	16.4
Energy	-	1.4	Cash	3.9	-
Cash	3.9	-			

Source: Factset, as at 28 February 2021. *Benchmark (Bmk) is the MSCI AC Far East ex Japan index.

†Reflects the country of exchange upon which each holding is trading. Allocations are subject to change.

Top 10 holdings %	Fund	Bmk*	Market cap (US\$b) %	Fund	Bmk*
Taiwan Semiconductor Manufacturing Co.	8.4	8.2	>30	45.6	62.4
Tencent Holdings Ltd.	5.8	7.5	10-30	28.1	22.1
Samsung Electronics Co., Ltd.	5.6	5.4	5-10	12.6	9.7
Alibaba Group Holding Ltd. Sponsored ADR	4.4	6.9	2-5	4.6	5.7
Realtek Semiconductor Corp	4.1	0.1	0.5-2	5.2	0.1
Novatek Microelectronics Corp.	3.7	0.2	Cash	3.9	-
BYD Electronic (International) Co., Ltd.	3.5	0.1			
JD.com, Inc. Sponsored ADR Class A	3.5	1.2			
ANTA Sports Products Ltd.	3.1	0.3			
NetEase, Inc. Sponsored ADR	3.0	0.7			

Source: Factset, as at 28 February 2021.

Portfolio manager:



Nick Mottram

Nick joined Dalton Strategic Partnership in March 2010. Nick is an experienced global equity investor and has invested in Asian stocks since 2000. He is the Chief Executive Officer of Dalton Strategic Partnership LLP. Nick was a founding and managing partner and a global equity portfolio manager at Origin Asset Management LLP, and as the Head of Equities at Investec Asset Management Limited he was responsible for managing the London equity team and global equity portfolios, and on his arrival he originated the 4Factor™ process. Before joining Investec in 2000, he was a Director of Schroder Investment Management Limited and the Global Head of Research, responsible for over 100 equity analysts around the world. Nick also managed equity funds for Schroders, after joining the company as an investment analyst in 1990. Nick is a Chartered Accountant and has a degree in English and American literature from the University of Kent at Canterbury.

Share class:	ISIN	SEDOL
B1 EUR	LU1205354712	BWFQTG5
B2 USD	LU1205354555	BWFQT43
I2 USD	LU1205354639	BWFQTH6
I7 GBP	LU1205354803	BWFQTS4

Current prices/NAVs:

B1 EUR	0 (€)
B2 USD	176.6 (\$)
I2 USD	184.9 (\$)
I7 GBP	202.79 (£)

Investment commentary

The Fund ended February up 1.3% in US dollars, which was 50bps ahead of the return on the benchmark, and the Fund is up 10.6% in the first two months of 2021 compared with the 5.7% gain by the index.

The Chinese lunar new year heralds the year of the ox, and the outlook for 2021 – both globally and regionally – is the complete opposite of a year ago. A relatively disappointing percentage of the population in China may have been vaccinated – 3.65 doses per 100 people so far according to World in Data - but the economy has bounced rapidly anyway.

Twelve months ago rampant COVID and lockdown responses across the region and the world saw the oil price dive and concerns expressed that there weren't enough storage facilities across the world to cope with the production glut. In February the oil price surged through \$60 per barrel.

Inflation might have been replaced by deflation fears a year ago when the US 10 Year Treasury yield was 1.1% and heading lower, compared with an increase in February to 1.5% amid an expectation of pent up consumer demand outpacing supply as an economic recovery unfolds, unleashing inflation.

Within China economic data has confirmed the normalisation of economic activity. Chinese GDP was up 6.5% in Q4 year on year and prospects for an even stronger Q1. But as ever equity markets have quickly processed this rosy picture and Chinese stocks were up 43% in US dollars in the past twelve months.

Taiwan was up 69% over the same period (and their Q4 GDP was up 4.9% year on year), with technology, especially larger and smaller semiconductor firms, leading the way.

A shortage of semiconductors which is worrying US OEM manufacturers and politicians alike. US sanctions on Chinese chip maker SMIC and COVID lockdown driven demand for consumer electronics have been diverting chip supplies from lower margin industrial/ OEM users.

But the legacy US sanctions resulting from President Trump's confrontational trade policy with China have also left China struggling to replace the semiconductors they imported, and accelerated a policy of technological self-reliance. Taiwan could be the nexus for the next round of US-China tension, this time with President Biden. "Recovering" Taiwan is a shibboleth going back to 1949 which isn't likely to be triggered merely by semiconductor capacity concerns on the mainland, but rising threats could come from a recalibration of China's engagement with the US and the west post-COVID and post-Trump.

Within the Fund there were positive returns in the Consumer Discretionary sector, and more modestly in Health Care and Industrials. Taiwan was the most positive country for the Fund, while gains in China offset poorer returns from Hong Kong.

The most positive stocks were US listed Chinese online retailer **Vipshop** which gained 36% in February and Taiwanese fabless chip maker **Novatek Microelectronics**, up 21%. Novatek released its annual results early in the month, showing strong sales growth throughout 2020 and an annual profit increase of 49% - with profits doubling in Q4 on Q4 a year earlier.

Unfortunately mobile phone and tablet component supplier **BYD Electronic (International) Ltd** was down 19%, while long term holdings **ANTA Sports Products Ltd** and **Sunny Optical Technology** were down 7% and 5% respectively.

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Further information:

Please refer to www.daltonsp.com for the
investor pack, prospectus, financial
statements and Key Investor Information
Documents

Investment commentary

Past performance is not necessarily indicative of future results and you may not retrieve your original investment. Investing in the Melchior Selected Trust places our capital at risk. The Sub-Fund is suitable for professional investors who consider an investment fund as a convenient way of participating in capital market developments. This Sub-Fund is not actively marketed to UK retail investors.

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