

Management company:

Edmond de Rothschild Asset Management (Luxembourg)

Investment manager:

Dalton Strategic Partnership LLP

Investment objective:

Capital appreciation through selective investment in Japanese equities.

Investment style:

Combination of top down sector allocation and bottom up stock selection producing a "Pragmatic Value": mid/small cap biased market oriented value approach.

Countries of registration:

Austria, Finland, France, Germany, 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: \$9.2m

Number of stocks: 54

Base currency: Japanese Yen (JPY)

Share classes: B (JPY, Euro, Euro-hedged, USD, USD-hedged, CHF-hedged) I (GBP, GBP-hedged, JPY)

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)

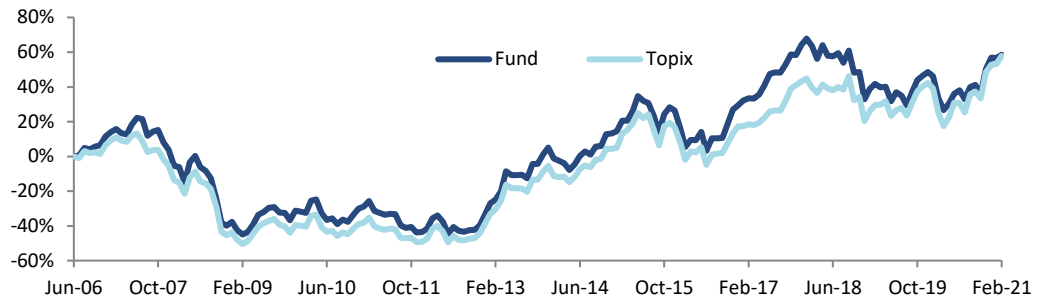
Benchmark: Topix (with dividend. Used for comparison purposes only)

Fund launch: 19 June 2006

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 (JPY)



%	1 month	3 months	YTD	1 year	3 years	5 years	Since inception
Fund	1.16	5.50	1.01	18.71	-3.03	50.20	64.58
Benchmark*	3.12	6.42	3.36	26.40	13.19	60.97	64.06

%	2020	2019	2018	2017	2016
Fund	5.60	11.85	-19.11	26.92	2.27
Benchmark*	7.39	18.12	-15.97	22.23	0.31

%**	31.12.20	31.12.19	31.12.18	31.12.17	31.12.16
Fund	5.6	11.8	-19.1	26.9	2.3
Benchmark*	7.4	18.1	-16.0	22.2	0.3

1 year historical characteristics	Beta	Tracking error	Volatility
Fund	0.91	6.26	21.29
Benchmark*	-	-	22.45

Past performance is not a reliable indicator of future returns; the growth rate is sensitive to currency fluctuations in JPY. Performance and risk data has been provided for the B3-JPY share class, net of fees. All performance and risk data is in Japanese Yen, the Fund's base currency.

Source: Dalton Strategic Partnership (performance data & risk characteristics), as 28 February 2021. *Topix index is included to illustrate the general trend in Japan equity markets during the periods indicated and is used for comparison purposes only. **The standardised past performance information is updated on a quarterly basis.

Sector holdings %	Fund	Bmk*
Information Technology	19.2	13.1
Consumer Discretionary	17.6	17.6
Communication Services	15.9	9.5
Industrials	14.6	23.0
Financials	8.9	9.1
Health Care	8.4	9.1
Materials	6.1	6.4
Consumer Staples	4.2	7.8
Real Estate	-	2.3
Utilities	-	1.3
Energy	-	0.7
Cash	5.1	-

Source: Factset, as at 28 February 2021. *Benchmark (Bmk) is the Topix index.

Top 10 holdings %	Fund	Bmk*	Market cap (US\$b) %	Fund	Bmk*
Sony Corporation	5.8	2.7	>30	21.1	40.9
Nintendo Co., Ltd.	4.6	1.4	10-30	38.8	26.2
Tokyo Electron Ltd.	4.0	1.0	5-10	14.0	12.0
Komatsu Ltd.	3.0	0.6	2-5	13.8	10.2
Murata Manufacturing Co., Ltd.	2.8	1.0	0.5-2	7.1	7.4
Kubota Corporation	2.7	0.5	0-0.5	-	3.3
Sumitomo Corporation	2.7	0.4	Cash	5.1	-
ORIX Corporation	2.6	0.4			
Sekisui House, Ltd.	2.3	0.3			
KDDI Corporation	2.2	1.0			

Source: Factset, as at 28 February 2021. *Benchmark (Bmk) is the Topix index.

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	LU0258103174	B1NZS59
B2 USD	LU0258103331	B1NZS71
B3 JPY	LU0258103505	B1NZS93
B1 EUR-H	LU0592236409	B3WYLL8
B2 USD-H	LU0948085708	-
I3 JPY	LU0858476608	B7SM6S6
I7 GBP	LU0258104149	B1NZSH1
I7 GBP-H	LU1205355792	BWD1NH1

Current prices/NAVs:

B1 EUR	185.41 (€)
B2 USD	179.61 (\$)
B3 JPY	16533.77 (¥)
B1 EUR-H	217.56 (€)
B2 USD-H	182.69 (\$)
I3 JPY	153.06 (CHF)
I7 GBP	275.00 (¥)
I7 GBP-Hdg	250.65 (£)

Investment background

The Japanese stock market briefly reached thirty year highs mid-month as corporate announcements, and the prospect of a vaccine roll out speeding the economic recovery, boosted investor optimism. The second half of the month saw a decline from this peak and plenty of volatility.

Tokyo is one prefecture still under a state of emergency – until 7th March – but others are now out despite Japan being a long way behind the rest of the world in its vaccination programme due to stringent specific Japanese safety testing before approval. This is now happening in stages, with healthcare workers first, then the elderly starting to be vaccinated in April. However Japan has a reduced number of daily confirmed cases, currently a 1,000 compared with the peak of over 6,000 at the start of the year. Total confirmed COVID deaths in Japan are just over 8,000 – very far below most of their western peers.

The Q4 2020 corporate reporting season has been strong, with a significant number of companies exceeding forecasts, which echoes the positive quarter on quarter GDP growth reported for Q4. Expectations were low, but some areas have seen a strong activity pick up. The lower number of infections and milder economic impact of COVID in Japan than in other economies will inevitably lead to a more muted recovery, but the strong and sharp pick up anticipated elsewhere is likely to benefit Japanese exporters to these markets.

The Fund ended February up 1.2% in Yen, behind the 3.1% return on the benchmark, and the Fund is up 1.0% in the first two months of 2021 compared with the 3.4% gain by the index.

The Fund suffered from not holding two large stocks that performed very strongly in February – **Softbank Group Corp** (up 22%), and **Mitsubishi UFJ** (up 19%). Some holdings declined on their results announcements or as the result of the rotation from growth to value. **Murata Manufacturing** (down 10%), **Tokyo century** (down 18%) and **Chugai Pharmaceutical** (down 13%) were the most negative contributors.

On the positive side strategy and IT consultant **BayCurrent** was up 36%, while **Sony Corporation**, **Komatsu** and **Tokyo Electron** were all up 11%. Not owning Keyence was also a positive factor versus the index return.

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Further information:

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

Important Information

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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