

Melchior Selected Trust

Global Conservative Fund (GBP)

Results to 31 December 2014

www.daltonsp.com

Investment manager:

Dalton Capital (Guernsey) Limited

Countries of registration:

Luxembourg, UK, Italy (for qualified investors)

Fund size: US\$ 12m

Base currency: Pounds Sterling (GBP)

Share classes: I (GBP, EUR, USD)

Fees:

I shares 1.00%

Minimum investment:

I shares \$250,000 (equivalent)

Legal status: Luxembourg SICAV with UCITS status

Fund dealing: Daily

Dealing cut off: 14:00 CET

Benchmark: N/A

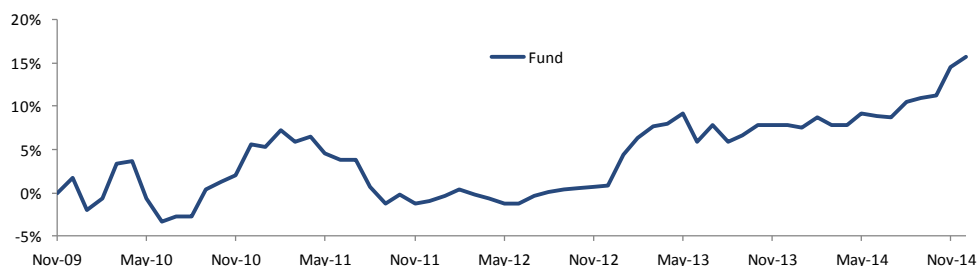
Fund launch: 17th November 2009

Share class:	ISIN	SEDOL
I1 EUR	LU0340436806	B5103V5
I2 USD	LU0467768106	B50MGB3
I7 GBP	LU0467768445	B55BOT1

Current prices/NAVs:

I1 EUR	116.47 (€)
I2 USD	109.25 (\$)
I7 GBP	114.00 (£)

Percentage growth, total return: I7-GBP share class



%	1 month	3 months	YTD	1 year	3 years	5 years	Since Inception
Fund	1.02	4.24	7.32	7.32	18.42	14.82	14.00

%	2014	2013	2012	2011	2010
Fund	7.32	6.86	1.80	-5.28	3.83

%*	31.12.14 31.12.13	31.12.13 31.12.12	31.12.12 31.12.11	31.12.11 31.12.10	31.12.10 31.12.09
Fund	7.3	6.9	1.8	-5.3	3.8

Source: Morningstar Direct and Dalton Strategic Partnership LLP. Performance to 31 December 2014.

Past performance is not a reliable indicator of future returns; the growth rate is sensitive to currency fluctuations in GBP. Performance has been provided for the I7-GBP share class, net of fees. All performance data is in Pounds Sterling, which is the base currency of the Fund. Please note that the Fund underwent a change of Fund Manager in May 2011. Therefore, investment returns prior to these dates may not be representative of the current strategy.

*The standardised past performance information is updated on a quarterly basis. As the I7 GBP share class was launched less than five years ago, data is not available for all periods.

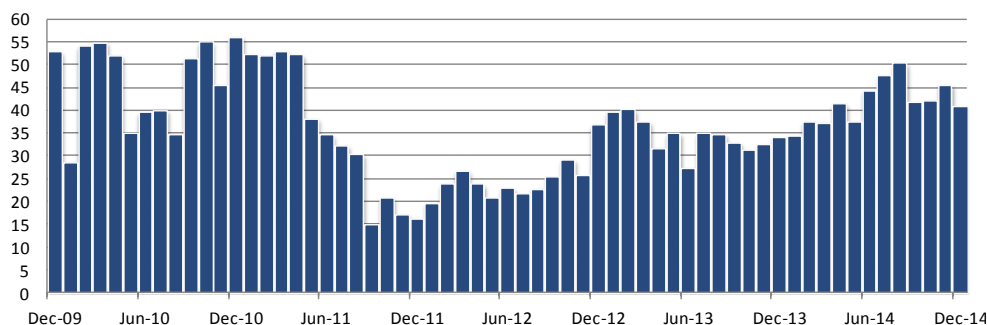
Asset allocation	% of NAV	Equity regional breakdown %	Fund
Cash & Equivalents	15.2	Europe	3.5
Equities	40.7	Global	20.3
Fixed Income	26.4	Japan	2.4
Hedge Funds	11.0	Latin America	0.0
Real Estate	3.7	North America	6.7
Precious Metals	3.0	Other Emerging Markets	5.4
		United Kingdom	2.4

Source: Dalton Strategic Partnership LLP, as at 31 December 2014.

1 year historical characteristics	Volatility	Sharpe ratio
Fund	3.87	0.11

Source: Morningstar Direct, as at 31 December 2014.

Historic equity allocation %



Source: Dalton Strategic Partnership LLP, as at 31 December 2014

Portfolio manager:



Rupert Caldecott

Rupert is the CIO of Global Asset Allocation at DSP, having joined the firm in February 2006. He has been responsible for the management of the MST Global Conservative Fund since May 2011.

Prior to joining DSP Rupert worked for the Schroder group for 28 years, including periods as managing director of its securities and private wealth management businesses. He was latterly a director of Cazenove Capital Management. He has a degree in Modern languages from Worcester College, Oxford.

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 21-27 of the current prospectus.

Contact us:

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Management company:

Edmond de Rothschild Asset Management, Luxembourg

Administrator/custodian:

Edmond de Rothschild Europe, Luxembourg

Further information:

Please refer to www.edmond-de-rothschild.eu for application forms, prospectus, financial reports, Key Investor Information Documents and historical NAVs (under "NAV centre" look under "Melchior Selected Trust").

The fund

The fund is designed to invest in world markets with a view to achieving a positive absolute return above a cash plus target over an entire market cycle of 5 years. It may invest up to 55% of its net assets in equities but has the flexibility to hold up to 100% of its assets in cash. The sterling fund is able to hedge all its non UK assets into sterling, if appropriate or, in the case of the US dollar and euro classes, 100% of the non US dollar and non euro assets may be hedged back into US dollars and Euros respectively.

Investment philosophy and approach

We believe that active asset allocation is vital because:

- Markets are cyclical and asset allocation is the best way to achieve positive returns over an economic cycle of five years
- It also offers the best prospect for combining growth with capital preservation over the longer term
- To address the increased risk of growing economic and financial instability, investment flexibility becomes more important.

Our asset allocation is determined by:

- Liquidity: we monitor liquidity levels provided by the Central banks, the commercial banking systems and the liquidity available for investment in financial instruments
- Interest rates; we monitor the likely change in short term rates as well as interest rates across the maturity spectrum
- Earnings momentum: we monitor changes in earnings estimates using third party information providers and our in-house specialist managers
- Valuation: we compare valuations of equities vs their own history, bond yields and interest rates.
- Volatility: we monitor volatility of equity markets and size our equity position accordingly.

Performance review

December, like October, saw a short, sharp correction in equity markets as investors' confidence wavered. However, overall the month proved to be a positive one for the fund with many holdings in various asset classes performing well and the continuing strength of the U.S. Dollar providing an additional boost. The monthly return was +1.02% to produce a calendar year appreciation of +7.3%, somewhat ahead of the result for the prior year.

Fund activity and outlook

We enter 2015 with a broadly based portfolio and an agnostic frame of mind. We do not anticipate abandoning either of these stances in the near term. Similarly we do not yet intend to take profits on the investments in forward looking industries, principally healthcare and technology, which served us well in 2014, and we will persist with our holdings in selected emerging markets with domestically generated growth. This may very much suggest 'more of the same' but we are conscious of the rapidity of changing conditions: we do anticipate higher volatility...and lower returns.

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All data and statistics are sourced from DSP unless otherwise stated. Performance statistics are not necessarily based on audited financial data. Past performance is not necessarily indicative of future results and you may not retrieve your original investment. Changes in rates of exchange may affect the price of units or shares.

For non-professional investors: if you have any doubt as to the suitability of any product, please consult your independent financial advisor.

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<http://www.daltonsp.com/information.asp>