

**Melville Douglas Select Fund Limited  
Annual Report and Audited Financial Statements  
Year ended 30 September 2021**

# Melville Douglas Select Fund Limited

## Annual Report and Audited Financial Statements

For the year ended 30 September 2021

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# Melville Douglas Select Fund Limited

## Administration

### Directors

Graham Baillie (South African/British)  
Michael Farrow\* (British) (Chairman) (Jersey Resident)  
Oliver Sonnichler (South African/Austrian)  
Robert Stewart (South African) (Jersey Resident)

### Sub-Custodian and Banker

The Bank of New York Mellon SA/NV London Branch  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

### Registered Office

Standard Bank House  
47 - 49 La Motte Street  
St. Helier  
Jersey JE2 4SZ  
Channel Islands

### Administrator

BNY Mellon Fund Services (Ireland) Designated Activity Company  
One Dockland Central, Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

### Manager and Secretary

STANLIB Fund Managers Jersey Limited  
Standard Bank House  
47 - 49 La Motte Street  
St. Helier  
Jersey JE2 4SZ  
Channel Islands

### Independent Auditors

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### Investment Manager

Melville Douglas Investment Management (Proprietary) Limited  
30 Baker Street  
Rosebank  
Johannesburg, 2196  
Republic of South Africa

### Legal Adviser

Ogier  
Ogier House  
44 Esplanade  
St. Helier  
Jersey JE4 9WG  
Channel Islands

### Custodian

Apex Financial Services (Corporate) Limited  
12 Castle Street  
St. Helier  
Jersey JE2 3RT  
Channel Islands

\*Independent Non-Executive Director.

# Melville Douglas Select Fund Limited

## Report of the Directors

The directors submit their annual report and audited financial statements for the year ended 30 September 2021.

### Incorporation

Melville Douglas Select Fund Limited (the “Company”) is an open-ended investment company incorporated by way of a continuance in Jersey on 31 March 2003 under the provisions of the Companies (Jersey) Law 1991 as Melville Douglas European Fund Limited and holds a fund certificate issued pursuant to the Collective Investment Funds (Jersey) Law 1988 and is regulated by the Jersey Financial Services Commission (“JFSC”). It was initially incorporated in the British Virgin Islands under the Mutual Funds Act 1996 on 19 November 1998. On 29 November 2013 the Company changed its name to Melville Douglas Select Fund Limited. The Company is a public company within the meaning of Article 16 of the Companies (Jersey) Law 1991. Participating shares may be issued and redeemed at prices based upon each class’s underlying net asset value.

### Structure

The Company offers investors a choice of classes (each such class being referred to as a “Class Fund”) and the opportunity to switch from one Class Fund to another. As at 30 September 2021 there are two class Funds available - Global Equity Class and Global Impact USD Class.

The assets, liabilities, income and expenses attributable to each class of participating share are applied to the Class Fund established for that class. If they are not attributable to any particular class of participating shares, they are allocated between all the Class Funds in such manner as the directors deem to be equitable. The Company is a single legal entity. As a result, although the assets, income, earnings, liabilities and expenses attributable to each Class Fund will be segregated and kept separate from those attributable to other Class Funds, in the event of the Company not being able to meet the liabilities attributable to any particular Class Fund out of the assets of such Class Fund, the excess liabilities may be met out of the assets attributable to other Class Funds. At 30 September 2021, the Company has two Class Funds which offers four Share Classes.

### Objective and investment policy

The objective of the Global Equity Class is to provide investors with long term capital growth by investing primarily in quoted global equities, which will maximise investment returns in US Dollars (“USD”).

The objective of the Global Impact USD Class is to deliver long-term capital growth (in USD) by investing in global companies that are positively exposed to sustainable investment themes, which includes investing in quality companies that are leading sustainable change for society and the environment thus taking advantage of the link between sustainable development, innovation and long-term compounding growth.

### Results and dividends

The Company does not intend to distribute income and capital gains realised by the Company on its investments by way of dividend. Accordingly, income on investments and increases in the capital value of the investments of the Company will be reflected in the value of the participating shares. The results for the year are disclosed in the Statement of Comprehensive Income.

### Directors

The directors of the Company during the year and subsequently are set out on page 2.

Graham Baillie is non-executive Chairman of Melville Douglas Investment Management (Proprietary) Limited. Oliver Sonnichler is an executive of Melville Douglas Investment Management (Proprietary) Limited, Robert Stewart is an employee of Standard Bank Jersey Limited and Michael Farrow is an independent non-executive director.

Robert Stewart holds 19,762.40 A Shares in the Global Equity Class.

# Melville Douglas Select Fund Limited

## Report of the Directors (continued)

### Registered Office

The registered office is as disclosed on page 2.

### Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP"), including Financial Reporting Standard ("FRS") 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

The Companies (Jersey) Law, 1991 requires the directors to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that year. In preparing those financial statements, the directors should:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The directors confirm that they have complied with all the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Connected Persons

The directors are satisfied that there are arrangements in place to ensure that transactions with connected persons entered into during the year were carried out as if negotiated at arm's length and were in the best interests of shareholders.

### Independent Auditors

PricewaterhouseCoopers Ireland have indicated their willingness to continue in office. A resolution to reappoint PricewaterhouseCoopers Ireland as independent auditors of the Company will be proposed at the annual general meeting. A copy of the Notice of the Annual Form of Proxy General Meeting is attached and forms part of these financial statements.

### Secretary

The Secretary of the Company during the year ended 30 September 2021 and subsequently was STANLIB Fund Managers Jersey Limited.

**By Order of the Board**  
**STANLIB Fund Managers Jersey Limited**

**Company Secretary**  
**12 January 2022**

# Melville Douglas Select Fund Limited

## Report of the Custodian

To the members of Melville Douglas Select Fund Limited.

The Custodian is responsible for the safekeeping of all the property of the Company which is entrusted to it, as prescribed in the Custodian Agreement.

Under the principles of the Guide to open-ended unclassified collective investment funds offered to the general public (the "OCIF Guide"), issued by the Jersey Financial Services Commission, the Custodian has a duty to take reasonable care to ensure that the methods adopted by the Company's Manager in respect to the pricing of, and dealing in, shares in the Company are compliant with the Company's principal documents.

It is the opinion of Apex Financial Services (Corporate) Limited in respect of the year ended 30 September 2021 that to the best of our information, knowledge and belief, that in all material respects, the Manager managed the Class Funds in that year:

- a) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Articles of Association and Prospectus and;
- b) otherwise in accordance with the provisions of the Management and Custodian Agreements.

**Apex Financial Services (Corporate) Limited**  
**Custodian**  
**12 January 2022**

# Melville Douglas Select Fund Limited

## Investment Manager's Report

For the year ended 30 September 2021

### Global Equity Class (the "Class Fund")

#### Fund Review

The past 12 months was not without a myriad of concerns – spanning from a more hawkish tone from Central Banks around the globe, the rise in oil prices and the spill-over effect on inflation, supply chain disruptions resulting from renewed lockdowns due to the Delta variant, and higher input costs threatening record high profit margins. This wasn't enough to deter the market from grinding higher ever since the vaccine rollouts gained traction from late 2020 onwards, supporting the economic recovery. The MSCI All Country World index returned +27.44% over the period. The fund's share classes delivered a creditable absolute return for its investors in-light of the sector and style shift experienced as the globe emerged out of a recession. The A, B, C and X-classes returned +18.75%, +19.31%, +20.15% and +21.11% respectively.

Sector allocation and stock selection were equally accountable for the underperformance relative to the benchmark. In-line with our expectations, the more cyclically geared sectors such as Energy, Financials and Materials outperformed the overall market as these sectors tend to see relatively higher earnings expectations in the early stage of an economic recovery. Defensive sectors such as Staples, Health Care and Utilities lagged given the less attractive albeit more stable growth especially in an environment where growth was easier to come by. In addition, the rise in bond yields act as a headwind for these "bond-proxy" sectors.

From a sector perspective, the allocation effect was negative in Energy (up +64.3% over the year) and Financials (+49.6%), with both sectors sharply outperforming the benchmark. The fund has no exposure to Energy, and is marginally underweight Financials. The supply-demand imbalance in the Energy sector has driven the oil price higher as supply is taking longer to fully come on stream to meet the surge in demand as the re-opening gains steam. Financials moved higher not only in line with expectations around interest rate hikes but also due to strong underlying activity within the investment banking and capital markets divisions. Our biggest overweight is Health Care (+18.26%) which lagged the benchmark. In addition to Health Care, holding Cash in a strong equity market detracted from returns.

Stock selection was positive in Health Care and Communication Services, where our names returned +26.3% and +38.2% respectively, outperforming their sectors by +8% and +9%. Top contributors over the period include Alphabet (+82.4%), Partners Group (+74.1%), Brenntag (+49.3%).

Alphabet has managed to deliver strong performance over the past 12 months due to a pull forward in Digital Advertising adoption by various business. This has been reflected in the company's better than expected performance over the past few quarters, which have been significantly higher than estimates. A rebound in Brand Advertising as things normalise, a gradual resumption in Ad spend from Online Travel Agencies and the faster than expected narrowing of losses within the Cloud business provides high conviction on the upcoming prospects for Alphabet.

Partners is a beneficiary of buoyant capital markets as well as increased client appetite for private market assets, especially in the private equity and private credit space. There is high visibility in revenue given that around 70-80% of total revenue is in the form of management fees. The commitments are long-term in nature, and this, coupled with a secular tailwind in that demand for alternative asset classes allows for resilient margins. Investment and realisation momentum have been strong, and is indicative of potential upside in performance fees. As a high beta play, we did see Partners pull back in September as equity and bond markets sold off, but including this pullback, the stock remained a top performer over the year.

Brenntag - the German chemicals distributor - benefitted from a favourable demand environment as global growth ticked higher, as well as an attractive pricing environment given the company's ability to push through higher pricing on the back of rising chemicals pricing. The new CEO - who took up this role at the start of 2020 - is aiming to address the disappointing organic earnings growth trend of recent years by improving operational efficiency and pricing strategy, as seen in the past few quarterly results

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

### Global Equity Class (the "Class Fund") (continued)

#### Fund Review (continued)

There were a few detractors over the period that offset the positive contributors. They were mainly concentrated in the more defensive sectors such as Staples/Health Care and Utilities, as well as a few specific industry specific concerns such as China tech and global payments. The biggest detractors were Alibaba (-49.6% over the year), Tencent (-10%) and Unilever (-9.4%).

Alibaba delivered strong performance through much of 2020. The momentum slowed when the Chinese regulator suspended the IPO of Ant Group in late 2020, which was then followed by a series of draft regulations within the internet space. The regulations were broad based – from antitrust, to cyber security, personal information protection laws and foreign investment regulations, to name a few. In addition to the regulatory concerns, Alibaba have announced a sharp step-up in investment spend, thereby limiting earnings growth over the coming few months. Shortly thereafter, the regulator launched an antitrust investigation into Alibaba, which resulted in the counter underperforming. Draft regulations related to data protection – amongst others – resulted in Alibaba and the entire China tech space underperforming. In addition, the company is investing heavily in the business that will limit earnings growth over the next 12 months. The limited near short-term catalysts -catalyst combined with the regulatory overhang –pressures have kept investors on the side-line despite the attractive compelling valuation.

After also delivering strong performance in 2020 on the back of an increase in Gaming revenue due to shelter-in-place measures, regulatory developments within the Chinese internet space weighed on Tencent, leading to the counter reversing its gains. Investors had initially viewed Tencent as having already gone through its intense regulatory scrutiny specifically in relation to the gaming business, however, investors were proven wrong as the Chinese government are now targeting gaming restrictions for minors. Despite minors accounting for <3% of gaming revenue for Tencent, the concerns are around the longer-term implications for gaming, as many gamers become addicted at a very early age. In addition to the above-mentioned regulatory concerns that impacted the sector, investigations by the Chinese government into the VIE structure and the implications for foreign based investors has spooked the market. The recent news flow and subsequent regulatory announcements around gaming restrictions for minors has resulted in Tencent underperforming. In addition, concerns around the VIE structure has weighed negatively on the stock.

Unilever sold-off on its 1H21 results given the reduction in margin guidance for the FY21. A growing concern from investors has been around the company's focus on growing its margin at the expensive of sales growth by not reinvesting behind its brands. Competition in its key categories has also stepped up, especially in emerging markets. Despite being exposed to slower growth categories such as tea and dressings, sales in emerging markets – that account for 60% of total sales – has slowed materially. A full re-assessment of the investment case and outlook for the business was conducted, and a decision was made to exit the stock based on longer-term structural concerns that have detracted from the initial investment case.

#### Market Overview

The MSCI All Country World index has experienced -10% peak-to-trough sell-offs in two out of every three years on average over the past 40 years. -10% is more the norm than the exception. Hence, it would not be a surprise if the sell-off in September had further to go. There were no shortages of concerns fueling the sell-off. Many of these headwinds are expected to dissipate over the coming quarters, which will allow investors to refocus on the healthy economic recovery that underpins corporate earnings growth.

#### Looking Ahead

Looking beyond the short-term disruptions, a combination of pent up demand, high savings ratios, inventory restocking and continued policy support are expected to underpin economic growth. While valuations are still not cheap by historical standards, corporate earnings growth is expected to be strong enough to offset any price-to-earnings de-rating.

# Melville Douglas Select Fund Limited

## **Investment Manager's Report (continued)**

### **Global Equity Class (the "Class Fund") (continued)**

#### **Looking Ahead (continued)**

Consensus earnings growth forecasts have erred on the side of caution, given the vagaries of the COVID pandemic, so there is room for upside surprises. Many companies have capacity to increase dividend pay-out ratios to pre-crisis levels over the next two years which will result in dividend growth exceeding earnings growth over this period. As the economic momentum slows and the equity rally matures, there will be a greater focus on individual company fundamentals. Picking the right stocks will become an increasingly greater differentiator in portfolio performance.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

For the year ended 30 September 2021  
**Global Impact USD Class (the "Class Fund")**

### Fund Review

At the end of September, the Global Impact Fund reached its first two quarters since inception (16 March 2021). The fund continues to build into its mandate of delivering strong returns whilst driving a positive impact on society and the planet. As measured through the lens of the United Nations Sustainable Development Goals. The team has made huge strides in terms of identifying key thematic trends and the strong underlying businesses that are driving those trends. As well as the positive impact those businesses are enabling. Furthermore, we have made strong strides in assessing the relative ESG metrics of these businesses and actively voting in line with best practice. The team is continuing to build out the Funds Impact measurement and management framework with the help of our new head of ESG.

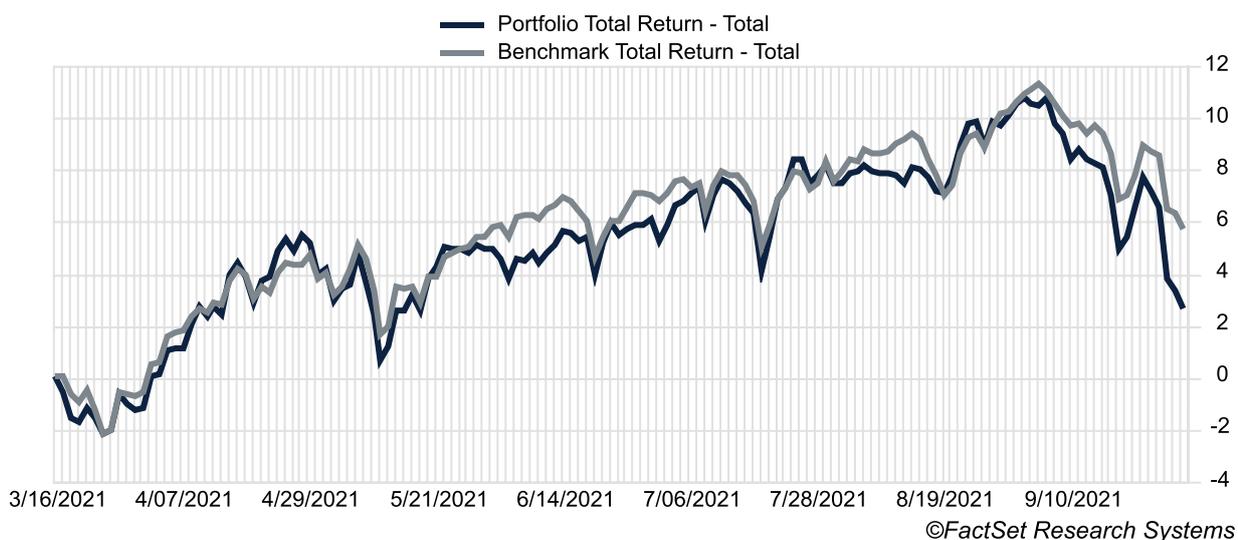
The Fund is up 2.6% since inception with a total NAV of \$10.0m. Please see further details below around the fund's performance, positioning, and impact.

### MELVILLE\_DOUGLAS\_SELECT\_GLOBAL\_IMPACT\_C vs. AC\_WORLD\_FREE

#### Performance

Security Name

3/16/2021 to 9/30/2021



The fund struggled to keep up with the benchmark, especially over the last quarter given its style bias towards growth names which underperformed and supply chain constraints that particularly affected our alternative/renewable energy names. The fund has a tilt towards names that are earlier in their lifecycle and that are showing higher top line growth as they drive key thematic trends which we see playing out into the future. During the period (particularly the latter part) the fund was impacted by a bond market sell-off (in reaction to Fed tightening and higher inflation fears) that had a knock-on effect on the valuation of growth stocks. This was exacerbated by severe supply chain bottlenecks. We believe that supply chain constraints for our names are temporary and that they can navigate through them.

Over the period, the fund benefitted from strong performance out of its Consumer Services (+26%) and Health Care (+14%) names. Consumer Services performed well due to the strong performance from Alphabet. Whilst the Health Care outperformance was broader based, with strong performance from both the HMO's as well as CRO's.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

### Global Impact USD Class (the "Class Fund") (continued)

#### Fund Review (continued)

Industrials (-22%), Utilities (-19%) and Energy (-10%) all detracted from the fund's absolute performance. The Industrials and Energy underperformance were due to stock specific issues with Plug Power and Neste being the main detractors. See more details on these below. Within Utilities, the underperformance was broader based where there was a shift away from interest rate sensitive utilities as the rhetoric around more hawkish Central Banks gained momentum.

Top 5 Total Return		Bottom 5 Total Return	
Company	Return	Company	Return
Keyence Corporation	32%	Plug Power Inc.	-22%
Alphabet Inc. Class A	28%	Enphase Energy, Inc.	-13%
IQVIA Holdings Inc	26%	HDFC Bank Limited Sponsored ADR	-11%
Microsoft Corporation	19%	Neste Corporation	-9%
Shopify, Inc. Class A	19%	Mastercard Incorporated Class A	-9%

#### Top 5 Performers

- **Keyence:** The sensors and visions company's 1Q results showed the company not just bouncing back from COVID-19 but generating record-high profits. Their ability to execute on same-day shipping despite supply chain constraints in one of their key markets (Auto OEMs) makes them a resilient machinery component supplier play.
- **Alphabet:** Saw strong momentum across all their operating segments, with Search and Other, YouTube; Network Members and Google Other being the notable performers during the quarter. We remain positive on Alphabet and see the next catalyst being a potential recovery in travel ad spend as economies open.
- **IQVIA:** Started off 2021 earnings with a solid beat and guidance raise, with both COVID & the base business responsible for around 50% of the growth. Furthermore, the CEO stated that the business is poised to substantially exceed original 3-year growth targets (2019-2022). IQVIA is particularly well suited to capitalize on the current environment (which requires more virtual trials, remote monitoring) where their tech and data capabilities can support a stronger competitive position.
- **Microsoft:** Microsoft continues to be a safe haven delivering strong growth. The co reported ahead of street results for Q4 with top line strength across all divisions. The Co. also gave better than expected guidance on top line across all segments relative to street. Encouragingly, the Intelligent Cloud segment guide meaningfully surprised to the upside unpinned by continued strength/steady growth from Azure. The management team continues to execute well.
- **Shopify:** Shopify continued to report very strong results benefiting from accelerating e-commerce volumes, strong merchant adoption trends and notable uptick in take rates. Largely beating consensus across the board. This and consensus' upward revision of estimates drove much of Shopify's strong performance during the period. In the "post-Covid" environment, our view is that online sales are likely to sustain some level of greater market share, providing a boost for platforms such as Shopify that enable e-commerce for many merchants and brands.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

### Global Impact USD Class (the "Class Fund") (continued)

#### Fund Review (continued)

##### Bottom 5 Performers

- **Plug Power Inc:** Plug was affected by constricted hydrogen supply due to several force majeure events (plant outages and switching industrial gas suppliers) that lasted much longer than previously expected. This meant they had to purchase in hydrogen from 3<sup>rd</sup> parties at significantly elevated levels in order to honour their clients contracts. As Plug bring the production of Green Hydrogen in house, this will risk will fall away and margins will pick up. The company remains well-positioned to be a leader in the hydrogen economy. We are excited about Plug's ability to capture the entire hydrogen ecosystem through its customer centric model, which will likely be a key differentiator by helping to drive down the cost of hydrogen and unlock new opportunities in fuel cells.
- **Enphase Energy Inc:** Enphase is a recent addition to the portfolio and has only been included in the portfolio for over a month. With the 3Q update, management provided an update on chip supply constraints as a key focus area. 2Q saw production volumes lower given 1 of 2 chip suppliers (a key input into their microinverters) de-committing volumes. ENPH management expressed a 3<sup>rd</sup> supplier was qualified in 2Q, & 4<sup>th</sup> supplier in 3Q, supporting 'cautious optimism' for significantly better supply into 4Q. We perceive favourable positioning into early '22 on chip supply with upside ahead. Furthermore, Enphase will benefit from further investment tax credits (ITC's) to likely be announced by the Biden administration as they further drive Clean Energy usage.
- **HDFC:** The bank was significantly affected by the rapid pick up in COVID cases in India around April and into May. Despite some recovery post this decline, HDFC is still not back up to the levels it was prior to the outbreak. We continue to see value in HDFC, especially as the economy reopens. HDFC remains a key play on financial inclusion, particularly for the underserved in India.
- **Neste:** The recent global supply chain glut has put pressure on Neste's Renewable Diesel margin as their key feedstock markets have remained tight. We expect these to open up in line with global supply chains over the short to medium term. Furthermore, the long-term investment case remains intact as we see increased demand for Renewable Fuels across a broad range of transport as regulations continues to focus on decarbonizing.
- **Mastercard:** Mastercard was not only negatively impacted by the rise in cases and what this would mean for cross-border travel expectations, but also due to competition concerns around "buy-now-pay-later" and interchange headwinds. In our view, the concerns seem overdone, and we believe the stock remains a secular winner.

##### Positioning

Information Technology, Healthcare and Materials are the largest sector holdings which we see as likely persisting given the thematic focus areas of the fund (Health & Wellbeing, Climate Change and Transformational Technology). The fund reduced its holdings in its thematic ETF's to 13% to fund new ideas. These are held to capture markets where we aim to, but don't currently have, underlying equity exposure. These will continue to be reduced over time as we build out our coverage. The ETF's are the iShares MSCI Global Impact ETF and the iShares Self-driving EV & Tech ETF.

From an active positioning perspective, the Fund is most overweight Utilities, Materials, and Information Technology. Within Utilities, we have built up the exposure through Iberdrola and Orsted. Both of which are strongly positioning themselves into the Renewable Energy market which has strong tailwinds behind it. The overweight in Materials is made up of our holdings in Mondi, Linde, and Ecolab. Within Information Technology, there are several holdings with varying end-markets. These are Microsoft, Shopify, Visa, Mastercard, Paypal, Keyence, Ansys and Enphase Energy.

# Melville Douglas Select Fund Limited

## Investment Manager’s Report (continued)

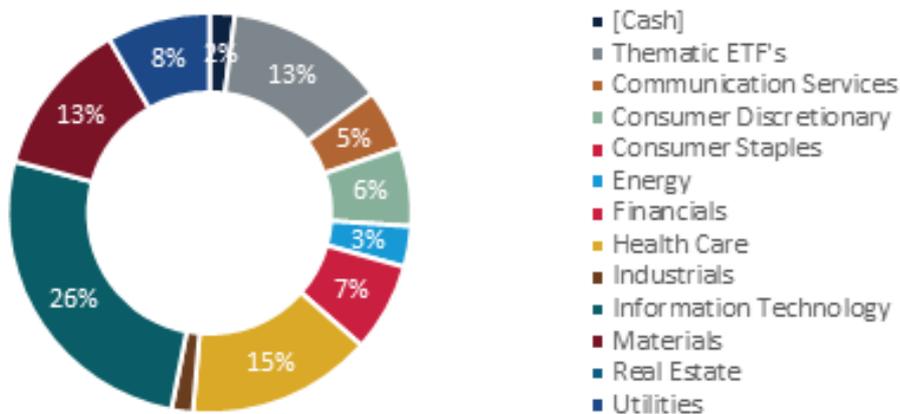
### Global Impact USD Class (the “Class Fund”) (continued)

#### Fund Review (continued)

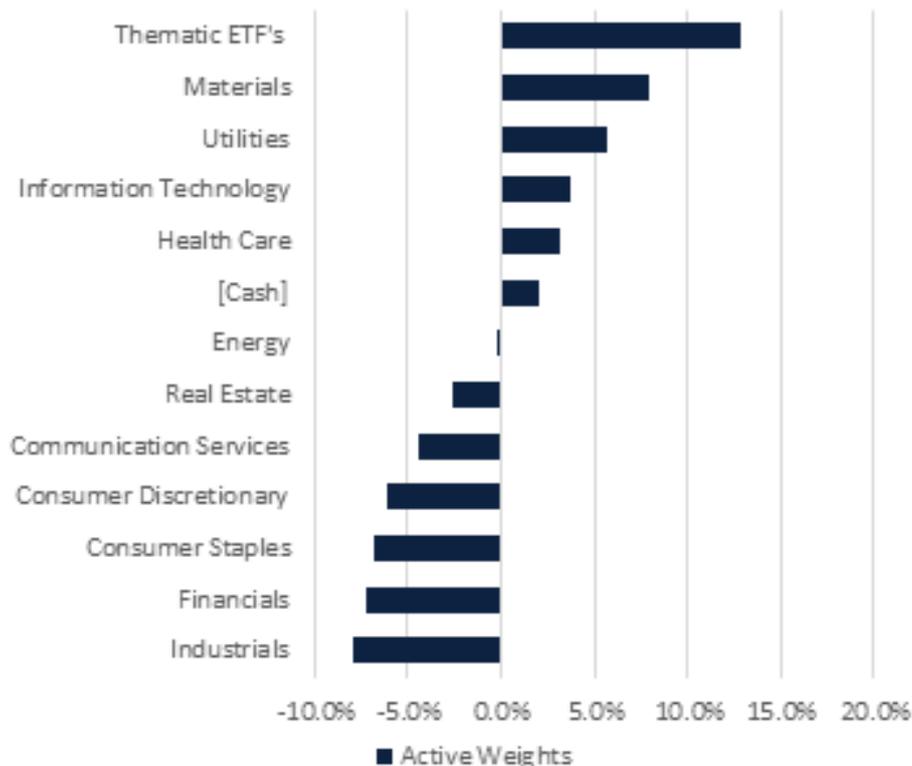
#### Positioning (continued)

The funds significant underweights are Industrials, Financials and Consumer Staples. This is as one would expect given the funds mandate. That said, we are looking to close the gap within financials as we do further work on the FinTech and payments sectors. Key to addressing our financial inclusion sub-theme.

### Sector Allocation



### Active Weights



# Melville Douglas Select Fund Limited

## Investment Manager’s Report (continued)

### Global Impact USD Class (the “Class Fund”) (continued)

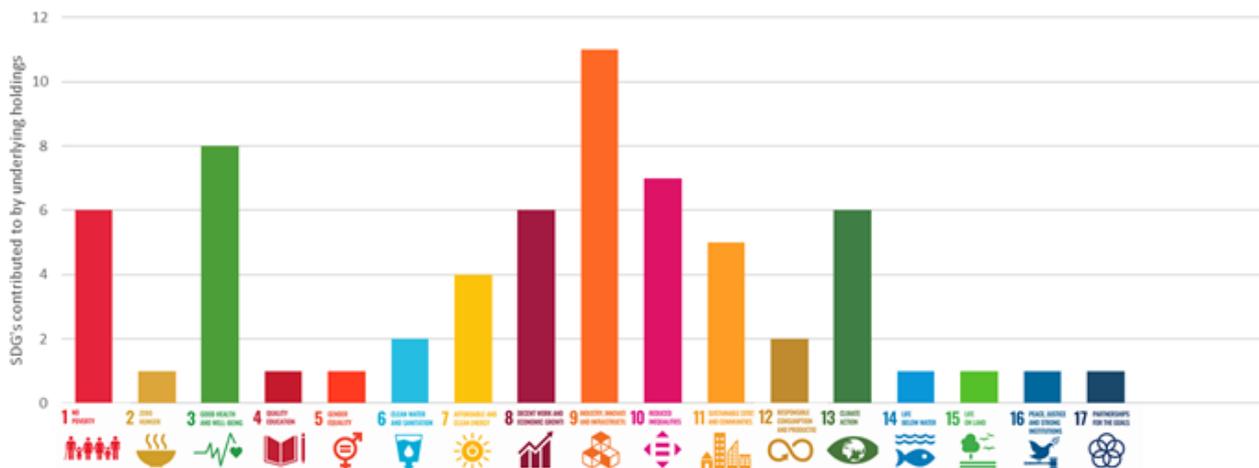
#### Impact

The fund looks to identify the future winners of tomorrow today, those businesses that are driving a positive impact on society and the environment by capturing sustainable secular themes that achieve industry leading growth and profitability over time. The process starts with a top down analysis, identifying key sustainable themes and sub-themes. Then identifying businesses which are driving such sub-themes as well as generating a positive impact through the lens of UN Sustainable Development Goals. This is determined through the Melville Douglas Impact Assessments.

We are currently undergoing the process with our new head of ESG, Mbali, of mapping out our Impact Measurement and Management strategy for the underlying counters. Thereby helping us better assess the Impact at the overall Fund level which will guide not only our decision making but also our active engagement. This will also be a key input in our annual Impact Report.

From an alignment to the UN Sustainable Development Goals perspective, the below chart shows what UN SDG’s the overall fund contributes to on an underlying basis. The Fund is Goal agnostic; however, each underlying investment must contribute significantly (as determined through the MD Impact Assessments) to at least one Goal.

Global Impact Fund Contribution to the UN SDG's



# ***Independent auditors' report to the members of Melville Douglas Select Fund Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Melville Douglas Select Fund Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 30 September 2021;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares for the year then ended;
- the Portfolio Statement as at 30 September 2021; and
- the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_a\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_a_audit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies (Jersey) Law 1991 exception reporting**

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns. We have no exceptions to report arising from this responsibility.

Patrick Glover  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants  
Dublin  
12 January 2022

# Melville Douglas Select Fund Limited

## Statement of Financial Position

As at 30 September 2021  
(Comparatives as at 30 September 2020)

	Notes	Global Equity Class 30 September 2021 USD	Global Equity Class 30 September 2020 USD	Global Impact USD Class* 30 September 2021 USD
<b>Assets</b>				
Financial assets at fair value through profit or loss	2(b), 7.4	915,898,310	551,221,370	9,735,225
Cash and cash equivalents	2(c)	15,856,784	16,654,400	199,811
Receivable for shares sold	2(f)	3,543,877	11,571,443	–
Income receivable	2(d)	167,312	104,409	959
Other receivables		–	–	24,176
<b>Total assets</b>		<b>935,466,283</b>	<b>579,551,622</b>	<b>9,960,171</b>
<b>Liabilities</b>				
Payable for shares redeemed	2(f)	491,113	481,866	–
Management fees payable	2(g)	557,621	382,328	1,725
Custodian fees payable	2(g)	7,695	6,884	411
Sub-Custodian fees payable	2(g)	4,662	4,026	211
Performance fees payable	2(g)	942,631	787,047	–
Director fees payable	2(g)	9,200	9,200	105
Audit fees payable	2(g)	10,080	7,045	87
Other payables		11,955	20,532	132
<b>Total liabilities</b>		<b>2,034,957</b>	<b>1,698,928</b>	<b>2,671</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>933,431,326</b>	<b>577,852,694</b>	<b>9,957,500</b>
<b>Net asset value per share</b>				
Class A Shares		24.37	20.53	–
Class B Shares		19.52	16.36	–
Class C Shares		20.51	17.07	–
Class X Shares		20.95	17.30	10.29

\*Class Fund launched on 12 March 2021.

The notes on pages 21 to 32 form an integral part of these financial statements.

# Melville Douglas Select Fund Limited

## Statement of Financial Position (continued)

As at 30 September 2021  
(Comparatives as at 30 September 2020)

	Notes	Total 30 September 2021 USD	Total 30 September 2020 USD
<b>Assets</b>			
Financial assets at fair value through profit or loss	2(b), 7.4	925,633,535	551,221,370
Cash and cash equivalents	2(c)	16,056,595	16,654,400
Receivable for shares sold	2(f)	3,543,877	11,571,443
Income receivable	2(d)	168,271	104,409
Other receivables		24,176	–
<b>Total assets</b>		<b>945,426,454</b>	<b>579,551,622</b>
<b>Liabilities</b>			
Payable for shares redeemed	2(f)	491,113	481,866
Management fees payable	2(g)	559,346	382,328
Custodian fees payable	2(g)	8,106	6,884
Sub-Custodian fees payable	2(g)	4,873	4,026
Performance fees payable	2(g)	942,631	787,047
Director fees payable	2(g)	9,305	9,200
Audit fees payable	2(g)	10,167	7,045
Other payables		12,087	20,532
<b>Total liabilities</b>		<b>2,037,628</b>	<b>1,698,928</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>943,388,826</b>	<b>577,852,694</b>

The financial statements were approved by the Board on 12 January 2022 and signed on its behalf by:

**Director**

The notes on pages 21 to 32 form an integral part of these financial statements.

# Melville Douglas Select Fund Limited

## Statement of Comprehensive Income

For the year 1 October 2020 to 30 September 2021  
(Comparatives are for the year 1 October 2019 to 30 September 2020)

	Notes	Global Equity Class 30 September 2021 USD	Global Equity Class 30 September 2020 USD	Global Impact USD Class* 30 September 2021 USD
<b>Income</b>				
Dividend income	2(d)	7,505,461	6,259,783	41,463
Deposit interest	2(d)	1,324	17,933	21
Net gain on financial assets at fair value through profit or loss	2(h), 3	<u>129,258,889</u>	<u>79,943,777</u>	<u>246,718</u>
<b>Total net gain</b>		<b>136,765,674</b>	<b>86,221,493</b>	<b>288,202</b>
<b>Expenses</b>				
Management fees	2(g)	5,674,139	3,778,864	11,214
Custodian fees	2(g)	84,128	67,357	2,781
Sub-Custodian fees	2(g)	57,961	41,672	1,430
Performance fees	2(g)	2,955,776	1,893,962	–
Directors' fees	2(g)	36,658	32,056	254
Audit fees	2(g)	10,080	7,045	87
Sundry expenses		<u>85,876</u>	<u>63,174</u>	<u>4,630</u>
<b>Total operating expenses</b>		<b>8,904,618</b>	<b>5,884,130</b>	<b>20,396</b>
<b>Net income before finance costs</b>		<b>127,861,056</b>	<b>80,337,363</b>	<b>267,806</b>
<b>Finance Costs:</b>				
Bank interest	2(d)	<u>(85)</u>	<u>(80)</u>	<u>(34)</u>
<b>Total Finance Costs</b>		<b>(85)</b>	<b>(80)</b>	<b>(34)</b>
Taxation	2(i), 4	<u>(1,722,702)</u>	<u>(1,378,889)</u>	<u>(6,272)</u>
<b>Increase in net assets attributable to holders of redeemable shares from operations</b>		<b><u>126,138,269</u></b>	<b><u>78,958,394</u></b>	<b><u>261,500</u></b>

\*Class Fund launched on 12 March 2021.

All of the above results are from continuing operations. There are no recognised gains or losses for the year other than those set out in the Statement of Comprehensive Income. There are no differences between the results above and those under historical cost.

The notes on pages 21 to 32 form an integral part of these financial statements

# Melville Douglas Select Fund Limited

## Statement of Comprehensive Income (continued)

For the year 1 October 2020 to 30 September 2021  
(Comparatives are for the 1 October 2019 to 30 September 2020)

	Notes	Total 30 September 2021 USD	Total 30 September 2020 USD
<b>Income</b>			
Dividend income	2(d)	7,546,924	6,259,783
Deposit interest	2(d)	1,345	17,933
Net gain on financial assets at fair value through profit or loss	2(h), 3	<u>129,505,607</u>	<u>79,943,777</u>
<b>Total net gain</b>		<b>137,053,876</b>	<b>86,221,493</b>
<b>Expenses</b>			
Management fees	2(g)	5,685,353	3,778,864
Custodian fees	2(g)	86,909	67,357
Sub-Custodian fees	2(g)	59,391	41,672
Performance fees	2(g)	2,955,776	1,893,962
Directors' fees	2(g)	36,912	32,056
Audit fees	2(g)	10,167	7,045
Sundry expenses		<u>90,506</u>	<u>63,174</u>
<b>Total operating expenses</b>		<b>8,925,014</b>	<b>5,884,130</b>
<b>Net income before finance costs</b>		<b>128,128,862</b>	<b>80,337,363</b>
<b>Finance Costs:</b>			
Bank interest	2(d)	<u>(119)</u>	<u>(80)</u>
<b>Total Finance Costs</b>		<b>(119)</b>	<b>(80)</b>
Taxation	2(i), 4	(1,728,974)	(1,378,889)
<b>Increase in net assets attributable to holders of redeemable shares from operations</b>		<b><u>126,399,769</u></b>	<b><u>78,958,394</u></b>

The notes on pages 21 to 32 form an integral part of these financial statements.

# Melville Douglas Select Fund Limited

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the year 1 October 2020 to 30 September 2021  
(Comparatives are for the year 1 October 2019 to 30 September 2020)

	Notes	Global Equity Class 30 September 2021 USD	Global Equity Class 30 September 2020 USD	Global Impact USD Class* 30 September 2021 USD
Net assets attributable to holders of redeemable shares at the beginning of the year		577,852,694	398,186,724	–
Proceeds from the issue of shares	5	271,321,655	146,421,586	9,806,000
Payments on the redemption of shares	5	(41,881,292)	(45,714,010)	(110,000)
<b>Increase in net assets attributable to holders of redeemable shares from investment activities</b>		<b><u>126,138,269</u></b>	<b><u>78,958,394</u></b>	<b><u>261,500</u></b>
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>		<b><u>933,431,326</u></b>	<b><u>577,852,694</u></b>	<b><u>9,957,500</u></b>
			<b>Total 30 September 2021 USD</b>	<b>Total 30 September 2020 USD</b>
Net assets attributable to holders of redeemable shares at the beginning of the year		577,852,694	398,186,724	
Proceeds from the issue of shares	5	281,127,655	146,421,586	
Payments on the redemption of shares	5	(41,991,292)	(45,714,010)	
<b>Increase in net assets attributable to holders of redeemable shares from investment activities</b>		<b><u>126,399,769</u></b>	<b><u>78,958,394</u></b>	
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>		<b><u>943,388,826</u></b>	<b><u>577,852,694</u></b>	

\*Class Fund launched on 12 March 2021.

The notes on pages 21 to 32 form an integral part of these financial statements.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements

### 1. Incorporation

The Company was originally incorporated in the British Virgin Islands on 19 November 1998 and was incorporated in Jersey, Channel Islands by way of a continuance on 31 March 2003.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented unless otherwise stated. These financial statements have been prepared on a going concern basis under the historical cost convention as modified by the measurement at fair value of investments in accordance with applicable Jersey Law and United Kingdom Generally Accepted Accounting Practice ("UK GAAP") including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"). The Company is an open-ended investment company incorporated by way of a continuance in Jersey on 31 March 2003 under the provisions of the Companies (Jersey) Law 1991 as Melville Douglas European Fund Limited and holds a fund certificate issued pursuant to the Collective Investment Funds (Jersey) Law 1988 and is regulated by the Jersey Financial Services Commission ("JFSC") as an unclassified fund. A summary of the more important accounting policies is set out below.

### 2. Accounting Policies

#### a. *Basis of Accounting*

These audited annual financial statements for the year ended 30 September 2021 have been prepared in accordance with FRS 102 as issued by the Financial Reporting Council ("FRC").

The Directors of the Company have applied FRS 102 "The Financial Reporting Standard" for its annual and FRS 104 for its unaudited interim financial statements effective 1 October 2014.

The information required by FRS 102, to be included in a single statement for the reporting period displaying all items of income and expenses recognised during the period including those items recognised in determining profit or loss and items of other comprehensive income and a Reconciliation of Movements in Shareholders' Funds is, in the opinion of the directors, contained in the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares on page 20. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on pages 18 and 20 relate to continuing activities.

The Company has availed of the exemption available to open-ended investment funds under Section 7 "Statement of Cash Flows" of FRS 102 (Section 7.1a (c)), not to prepare a cash flow statement on the basis that substantially all of the Company's investments are highly liquid and carried at fair value, and the Company provides a Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares.

#### b. *Investments*

Investments are recognised on the Statement of Financial Position at the date on which the Company becomes party to contractual provisions of the instruments. Investments are initially recognised at cost which is the fair value at date of recognition. Subsequent to initial recognition, equities held are valued at closing mid-market price. Exchange Traded Funds held are valued at exchange price. Gains or losses arising from revaluation are recognised in the Statement of Comprehensive Income.

On disposal of investments, gains and losses on sale of investments are calculated on an average cost basis and are taken to the Statement of Comprehensive Income in the year in which they arise.

On initial application of FRS 102, in accounting for all of its financial instruments, an entity is required to apply either (a) the full requirements of Sections 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102, (b) the recognition and measurement provisions of International Accounting Standards ("IAS") 39 "Financial Instruments: Recognition and Measurement" ("IAS 39") as adopted for use in the European Union and the disclosure requirements of Sections 11 and 12, or (c) the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9 "Financial Instruments" ("IFRS 9") and the disclosure requirements of Sections 11 and 12. The Company has applied FRS 102 from the year ended 30 September 2015 and has elected to apply the full requirements of Sections 11 and Section 12 of FRS 102.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 2. Accounting Policies (continued)

c. *Cash and cash equivalents*

Cash is valued at cost, which approximates fair value. Cash is held in accounts at The Bank of New York Mellon SA/NV London Branch which allows the Class Funds instant access to their accounts.

d. *Income*

Interest income is recognised using the effective interest rate method. Dividend income is accounted for on the ex-dividend date. Dividend income is reported gross of withholding tax deducted at source and the related withholding tax is disclosed separately as a tax charge in the Statements of Comprehensive Income.

Interest on deposit accounts is included on an accruals basis. Deposit interest and overdraft interest for the year is reported in the Statement of Comprehensive Income.

e. *Foreign currencies*

Transactions in foreign currencies are translated into the reporting currency of the Class Funds at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the reporting currency of the Class Funds at the rates of exchange ruling at the Statements of Financial Position date. The reporting currencies of the Class Funds is US Dollars.

Differences arising on translation are included in the Statements of Comprehensive Income within income or expenses in the year in which they arise.

f. *Share issues and redemptions*

Shares in the Company may be issued at the issue price and redeemed at the redemption price on subscription days at the prices calculated in accordance with the Articles of Association and based on the value of the underlying investments held in the relevant Class Fund. The directors' present policy is that:

- i. On the issue of shares, the amount received is credited to the share capital account.
- ii. On redemption, the amount paid is debited to the share capital account. Should that account be fully utilised, the amount payable on redemption is debited to realised reserves.

Receivable for shares sold and payable for shares redeemed represent amounts that have been contracted for but not yet settled or delivered on the Statement of Financial Position date.

g. *Expenses*

The Company is responsible for the payment of management, custodian, sub-custodian, performance and administration fees, which are accrued for on each subscription day (see Note 6). The Company is also responsible for the payment of auditor's and directors' remuneration together with reporting expenses and operational costs in accordance with the prospectus. All expenses are accounted for on an accruals basis.

h. *Net gains/(losses) on financial assets at fair value through profit or loss*

This item includes changes in the fair value of financial assets held for trading and excludes interest and dividend income and expenses. Unrealised gains and losses comprise changes in the fair value of financial instruments for the year. Realised gains and losses on disposals are calculated using the average cost method and are reflected as net gains or losses on investments in the Statement of Comprehensive Income.

i. *Withholding taxes*

In some jurisdictions investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Portfolio. Withholding tax is disclosed separately as a tax charge from the gross investment income in the Statement of Comprehensive Income.

j. *Distribution policy*

The Company's policy is to not distribute any income on its participating shares.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 3. Gains and losses on financial assets at fair value through profit or loss

	Global Equity Class 30 September 2021 USD	Global Equity Class 30 September 2020 USD	Global Impact USD Class* 30 September 2021 USD
Non-derivative securities:			
Net realised gain/(loss) on investments	6,521,660	(9,803,659)	33,003
Net movement in unrealised investment schemes	122,738,202	89,789,386	213,715
	<u>129,259,862</u>	<u>79,985,727</u>	<u>246,718</u>
Derivative securities:			
Net realised loss on foreign currency contracts	(973)	(41,950)	–
	<u>(973)</u>	<u>(41,950)</u>	<u>–</u>
<b>Net gain on financial assets at fair value through profit or loss</b>	<b><u>129,258,889</u></b>	<b><u>79,943,777</u></b>	<b><u>246,718</u></b>

	Total 30 September 2021 USD	Total 30 September 2020 USD
Non-derivative securities:		
Net realised gain/(loss) on investments	6,554,663	(9,803,659)
Net movement in unrealised investment schemes	122,951,917	89,789,386
	<u>129,506,580</u>	<u>79,985,727</u>
Derivative securities:		
Net realised loss on foreign currency contracts	(973)	(41,950)
	<u>(973)</u>	<u>(41,950)</u>
<b>Net gain on financial assets at fair value through profit or loss</b>	<b><u>129,505,607</u></b>	<b><u>79,943,777</u></b>

\*Class Fund launched on 12 March 2021.

### 4. Taxation

For the purposes of Jersey taxation, the Company will fall under Article 123C of the Income Tax (Jersey) Law 1961, as amended, as a Jersey resident Company which is neither a “utility company” nor a “financial services company” and as such will be charged to Jersey income tax at a rate of 0% on its income (other than on any rental income or property development profits arising in respect of Jersey situs real property or land). The Company will not be subject to tax in Jersey on any capital arising to it.

Under applicable foreign tax laws, withholding taxes may be deducted from interest, dividends and capital gains attributable to the Company, at various rates. The Company pays withholding tax on dividends, which is deducted at source. This is shown separately as a taxation charge in the Statement of Comprehensive Income.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 4. Taxation (continued)

	<b>30 September 2021 USD</b>	<b>30 September 2020 USD</b>
<b>Global Equity Class</b>		
Overseas tax - withholding tax on dividend income	1,722,702	1,378,889
<b>Global Impact USD Class*</b>	<b>30 September 2021 USD</b>	
Overseas tax - withholding tax on dividend income	6,272	
<b>Total</b>	<b>30 September 2021 USD</b>	<b>30 September 2020 USD</b>
Overseas tax - withholding tax on dividend income	1,728,974	1,378,889

\*Class Fund launched on 12 March 2021.

### 5. Share capital

The Company is authorised to issue 100 management shares of USD1.00 each and an unlimited number of participating shares of no par value.

The management shares exist solely to comply with Companies (Jersey) Law 1991 which requires that participating redeemable preference shares ("participating shares") must have a preference over another class of capital. The holders of the management shares are entitled to receive notice of general meetings of the Company and to attend and vote thereat. On a poll a holder of management shares is entitled to one vote for each management share held by him/her. Management shares carry no right to a dividend and are not redeemable. In a winding up, they rank only for a return of paid up nominal capital out of the assets of the Company (before the return of nominal capital paid up on participating shares).

Participating shares carry the right to a proportionate share in the assets of the relevant Class Fund and to any dividends that may be declared. Holders of the shares are entitled to receive notice of all general meetings of the Company and to attend and vote thereat. The holder of each share is entitled to one vote for each share of which he is a holder. Shares are redeemable by shareholders at prices based on the value of the net assets of the relevant Class Fund as determined in accordance with its Articles of Association.

#### *Management shares*

The management shares have been issued to the Manager at par and the proceeds of the issue are represented by a separate management fund. Details of the management fund at the Statement of Financial Position date are as follows:

	<b>30 September 2021 USD</b>	<b>30 September 2020 USD</b>
Current account	<u>100</u>	<u>100</u>
Management shares of USD1.00 each Authorised, issued and fully paid	<u>100</u>	<u>100</u>

The management fund is not reflected in the Statement of Financial Position.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 5. Share capital (continued)

#### *Movements of participating shares*

The following table shows the movement in participating shares during the year ended 30 September 2021.

	Number of shares at 30 September 2020	Issued during the year	Redeemed during the year	Number of shares at 30 September 2021
Global Equity Class - Class A Shares	11,712,900	2,946,307	(1,020,735)	13,638,472
Global Equity Class - Class B Shares	2,549,824	1,203,597	(217,150)	3,536,271
Global Equity Class - Class C Shares	800,130	1,076,528	(87,004)	1,789,654
Global Equity Class - Class X Shares	16,303,940	7,921,875	(588,473)	23,637,342
Global Impact Class - Class X Shares*	–	978,368	(11,100)	967,268

\*On 12 March 2021, the Global Impact Fund Class X shares launched.

The following tables show the movement in participating shares during the year ended 30 September 2020.

	Number of shares at 30 September 2019	Issued during the year	Redeemed during the year	Number of shares at 30 September 2020
Global Equity Class - Class A Shares	12,248,249	967,990	(1,503,339)	11,712,900
Global Equity Class - Class B Shares	1,920,453	823,584	(194,213)	2,549,824
Global Equity Class - Class C Shares	499,694	359,567	(59,131)	800,130
Global Equity Class - Class X Shares	10,192,974	7,150,681	(1,039,715)	16,303,940

### 6. Related Party Transactions and Other Expenses

The following disclosures are made in accordance with the requirements of Section 33 “Related Party Disclosures” of FRS 102.

STANLIB Fund Managers Jersey Limited (the “Manager”), Melville Douglas Investment Management (Proprietary) Limited (the “Investment Manager”) and all non-independent directors of the Company are related parties of the Company.

The Manager is considered a related party by virtue of its contractual arrangements. The Investment Manager and the directors are considered related parties to the Company as they make key operating decisions for the Company.

The Manager has the primary responsibility for the management and administration of the Company. The Manager has appointed the Investment Manager to provide it with investment management services in relation to the Company. The fees of the Investment Manager are paid by the Manager out of its fees.

The annual management fee payable to the Manager is calculated as 1.2% of the net asset value of the Class Fund for Class A Shares, 1.7% for Class B Shares and 1% for Class C Shares and 0.2% for Class X Shares.

The above amounts accrue on each subscription day and are payable to the Manager by monthly payments in arrears.

For the Class A Shares of Global Equity Class, the Manager is also entitled to a performance fee of 5% of the increase in the net asset value per share payable quarterly, calculated and accrued on each subscription day if the net asset value per share on that day exceeds the highest net asset value per share as at any previous subscription day. The Manager remits the above fee in full to the Investment Manager as an investment management performance fee when they occur. There are no performance fees charged in respect of the Class B Shares, Class C Shares or Class X Shares of Global Equity Class.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 6. Related Party Transactions and Other Expenses (continued)

There are no performance fees charged in respect of the Class X Shares of Global Impact USD Class.

The fees of the Custodian shall be calculated as follows, subject to an overall minimum fee in respect of each Class Fund of USD5,000 per annum (such minimum fee to be waived in respect of cash funds) (the "Minimum Fee"):

On amounts less than USD50 million 0.035%

On amounts of more than USD50 million, but less than USD100 million 0.025%

On amounts of more than USD100 million, but less than USD500 million 0.010%

On amounts over USD500 million 0.005%

Such fees shall accrue daily and shall be payable to the Custodian by monthly payments in arrears becoming due on the first business day of each month in respect of the preceding month.

The Custodian is also entitled to be reimbursed out of the Class Fund for charges and transaction fees levied on it by the Sub-Custodian and other sub-custodians which shall be at rates which have been negotiated on an arm's length basis or are otherwise on commercial terms.

Michael Farrow is entitled to receive up to GBP20,000 per annum from the Company as director fees. Graham Baillie, Oliver Sonnichler and Robert Stewart are entitled to receive up to USD10,000 per director per annum from the Company. Directors fees incurred during the year ended 30 September 2021 amounted to USD36,912 (30 September 2020: USD32,056) with USD9,305 (30 September 2020: USD9,200) outstanding at the year end.

The fees incurred during the year ended 30 September 2021 and 30 September 2020 are as disclosed in the Statement of Comprehensive Income with the amounts outstanding at the year end disclosed in the Statement of Financial Position.

As at 30 September 2021 the USD Balanced Class Fund held 40,735 shares (30 September 2020: Nil shares) in the Melville Douglas Select Fund Limited – Global Impact Class Fund, a related party which have appointed the same Manager, Investment Manager and Directors as the Fund.

As at 30 September 2021 the USD Global Growth Class Fund held 926,533 shares (30 September 2020: Nil shares) in the Melville Douglas Select Fund Limited – Global Impact Class Fund, a related party which have appointed the same Manager, Investment Manager and Directors as the Fund.

### 7. Financial risk management

Consistent with the investment objectives, as noted in the Report of the Directors, the Company's financial instruments comprise quoted securities. In addition, the Company holds cash and liquid assets and various items such as debtors and creditors that arise directly from its operations.

The main risks arising from the Company's financial instruments are market risk (comprising market price risk, interest rate risk and currency risk), credit risk and liquidity risk. The Board reviews and agrees with the Manager and Investment Manager policies for managing each of these risks and they are summarised below.

#### 7.1. Market risk

Market risk is the risk that the fair value of, or future cash flows arising from, financial instruments will fluctuate because of the changes in market variables. Market risk comprises three types of risks: market price risk, interest rate risk and currency risk.

##### Market price risk

Market price risk arises mainly from uncertainty about future prices of equity and equity-linked financial instruments. It represents the potential loss the Company may suffer due to movements in securities prices.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Market price risk (continued)

The Class Fund's exposure to market price arises from its equity investments with a maximum exposure at the year end of USD925,633,535 (30 September 2020: USD551,221,370). The exposure levels are in line with the Class Fund's investment objectives and market price risk is managed through prescribed investment restrictions. Full details regarding the investment restrictions can be obtained from the prospectus.

##### Sensitivity analysis

The table below summarises the sensitivity of the Class Funds' net assets attributable to holders of redeemable shares to market price movements. It shows the increase/(decrease) in the net assets attributable to holders of redeemable shares for the Class Fund given a 5% movement in the underlying investment prices at year end; all other variables remaining constant (5% is considered to be a reasonable possible change in price):

	<b>30 September 2021 USD</b>	<b>30 September 2020 USD</b>
Global Equity Class	45,794,916	27,561,069
Global Impact USD Class*	486,761	-

\*Class Fund launched on 12 March 2021.

##### Interest rate risk

Interest rate risk is the risk that the fair value of, or future cash flows arising from, the financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk from cash held on deposit. Market forces (in terms of a general increase or decrease in interest rates in a particular currency) may therefore have a detrimental or positive effect on the cash flows from cash deposits. As cash deposits are available on demand, there is no fair value risk from interest rates.

The Company does not actively manage interest rate risk as it is considered insignificant.

##### Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, financial instruments will fluctuate because of changes in foreign exchange rates.

The Class Funds' assets and liabilities may be denominated in currencies other than the reporting currency of the Class Fund. Therefore the value of such assets and liabilities may be affected favourably or unfavourably by fluctuations in currency rates.

The Company may enter into derivative transactions for the purposes of hedging against currency risk on behalf of the Class Funds, subject to various maximum exposure limits.

A proportion of the net assets of the Global Equity Class and Global Impact USD Class is denominated in currencies other than US Dollars, the functional currency of each Class Fund. As a result, the performance of the each Class Fund can be affected by currency movements relative to the US Dollar.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Currency risk (continued)

The tables below show the currency exposure of each Class Fund as at 30 September 2021 and 30 September 2020.

##### Global Equity Class

Exposure currency 30 September 2021	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
CHF	35,831,077	–	–	35,831,077	3.84
DKK	16,757,373	–	–	16,757,373	1.79
EUR	39,927,507	–	–	39,927,507	4.28
GBP	72,885,904	1	–	72,885,905	7.81
HKD	31,523,952	–	–	31,523,952	3.38
JPY	34,554,071	–	43,855	34,597,926	3.71
USD	684,418,426	15,856,783	1,632,377	701,907,586	75.19
	<u>915,898,310</u>	<u>15,856,784</u>	<u>1,676,232</u>	<u>933,431,326</u>	<u>100.00</u>

##### Global Equity Class

Exposure currency 30 September 2020	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
CHF	17,743,776	–	–	17,743,776	3.07
DKK	15,881,700	–	–	15,881,700	2.75
EUR	19,935,792	–	–	19,935,792	3.45
GBP	54,700,555	1	–	54,700,556	9.46
HKD	25,868,071	–	–	25,868,071	4.48
JPY	21,267,547	–	36,737	21,304,284	3.69
USD	395,823,929	16,654,399	9,940,187	422,418,515	73.10
	<u>551,221,370</u>	<u>16,654,400</u>	<u>9,976,924</u>	<u>577,852,694</u>	<u>100.00</u>

##### Global Impact USD Class\*

Exposure currency 30 September 2021	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
DKK	452,859	–	–	452,859	4.55
EUR	695,301	4,145	–	699,446	7.03
GBP	778,018	–	(4,118)	773,900	7.77
JPY	243,996	–	309	244,305	2.45
USD	7,565,051	195,666	26,273	7,786,990	78.20
	<u>9,735,225</u>	<u>199,811</u>	<u>22,464</u>	<u>9,957,500</u>	<u>100.00</u>

\*Class Fund launched on 12 March 2021.

Currency risk is not managed actively in its separate form. Significant currency risk arises from the portfolio of investments denominated in foreign currencies and this affects the carrying value of the securities, hence is considered as part of price risk.

The following sensitivity analysis shows the change in the net assets of the Class Fund given a 5% increase or decrease in the value of a foreign currency relative to the Class Funds' reporting currency for all significant foreign currency positions of the Class Fund (5% is considered to be a reasonable possible change in foreign currency rates).

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Currency risk (continued)

		Change in net assets	Change in net assets
Global Equity Class		30 September 2021	30 September 2020
		USD	USD
CHF	+/-5%	1,791,554	887,189
DKK	+/-5%	837,869	794,085
EUR	+/-5%	1,996,375	996,790
GBP	+/-5%	3,644,295	2,735,028
HKD	+/-5%	1,576,198	1,293,404
JPY	+/-5%	1,729,896	1,065,214

		Change in net assets
Global Impact USD Class*		30 September 2021
		USD
DKK	+/-5%	22,643
EUR	+/-5%	34,972
GBP	+/-5%	38,695
JPY	+/-5%	12,215

\*Class Fund launched on 12 March 2021.

#### 7.2. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its liabilities as they fall due. This also relates to the risk that the Company may not be able to realise its investments at current market values in time to meet its obligations.

Shareholders have the right to redeem their shares in the Company at every subscription day. The Company therefore needs to have adequate liquid resources to meet these redemptions and the maturity profile of the Company's investments may affect the Company's liability to meet the redemptions if the weighted average days to maturity is longer than the weighted average days to redemption.

Liquidity risk in relation to funding of redemptions is managed by receiving daily notifications of forthcoming redemption notices and ensuring sufficient liquidity within the portfolio. Although substantial redemptions of shares in the Class Funds could require the Class Funds to liquidate their investments more rapidly than otherwise desirable in order to raise cash for the redemptions, the Directors may restrict redemption of shares to no more than 20% of the issued shares of any Share Class on any Dealing Day, with excess requests being scaled back on a pro-rata basis, with the balance being carried forward to the next Dealing Day and so on until all the Shares concerned have been redeemed.

#### 7.3. Credit risk

Credit risk is the risk that the counterparties to the Company may be unable or unwilling to meet their obligations to the Company under the contractual or agreed terms. The Company's maximum exposure to credit risk is represented by the carrying value of cash and debtors.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.3. Credit risk (continued)

The risk arising from deposits and debtors is considered minimal and therefore not actively managed. Significant debtors may arise from outstanding sales receipts. This is controlled by ensuring that securities are not transferred before settlement. Debtors arising from dividends and interest received are not considered material for the purpose of credit risk exposure.

Each Class Fund is restricted to investing no more than 10% of its net asset value in any one issuer and to investing in no more than 10% of the total nominal amount of all issued securities of the same class in the invested corporation. These limits are tested on a daily basis by the Administrator, on a monthly basis by the Manager and confirmation of adherence is received by the Board of Directors on a quarterly basis, in order to demonstrate effective control. The credit ratings of the investments are disclosed in Portfolio Statements (Unaudited).

The Class Funds are not exposed to significant credit risk from the Custodian, Sub-Custodian and banker as all investments of the Class Funds are maintained in a segregated account, which are designated as client assets and are not co-mingled with any proprietary assets of the Custodian. The Class Funds will, however, be exposed to the credit risk of the Custodian, or any depository used by the Custodian, in relation to the Class Fund's cash held by the Custodian. In event of the insolvency or bankruptcy of the Custodian, the Class Funds will be treated as a general creditor of the Custodian in relation to cash holdings of the Class Funds.

The Custodian, Apex Financial Services (Corporate) Limited is not rated with Standard & Poor's, Moody's or Fitch.

For the year ended 30 September 2021, the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2020 : AA-) with Standard & Poor's, Aa2 (2020 : Aa2) with Moody's and AA (2020 : AA-) with Fitch.

#### 7.4. Fair value hierarchy

The FRC issued "Amendments to FRS 102 - Fair value hierarchy disclosures", effective for accounting periods beginning on or after 1 January 2017, with early adoption permitted. FRED 62 proposed to amend paragraphs 34.22 and 34.42 of FRS 102 to require disclosure of financial instruments held at fair value on the basis of a fair value hierarchy consistent with EU-adopted IFRS based on Level 1, 2 and 3 classifications. The Company has availed of early adoption thus the financial statements and comparatives have been prepared in accordance with these amendments and fair value measurement is categorised based on Levels 1, 2 and 3. These amendments did not have any impact on the Class Funds' financial position or performance.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted mid-market prices on the year end date or in the case of fund of funds are based on the net asset value per unit.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.4. Fair value hierarchy (continued)

The fair value hierarchy has the following levels:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The Company's financial assets measured at fair value as at 30 September 2021 and 30 September 2020 are all classified as Level 1 within the fair value hierarchy. There were no transfers between the levels during the reporting periods. There were no financial liabilities at 30 September 2021 or 30 September 2020.

### 8. Exchange rates

The following exchange rates at 30 September 2021 and 30 September 2020 were used to translate foreign currency assets and liabilities:

#### Global Equity Class and Global Impact USD Class\*

	30 September 2021	30 September 2020
USD/CHF	0.93284	0.91870
USD/DKK	6.41614	6.34773
USD/EUR	0.86287	0.85276
USD/GBP	0.74165	0.77351
USD/HKD	7.78463	7.75000
USD/JPY	111.57500	105.53001

\*Class Fund launched on 12 March 2021.

### 9. Significant events during the year

A new prospectus was issued in March 2021.

The Global Impact USD Class launched on 12 March 2021.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (Covid-19). The virus has spread across the world with major outbreaks across Europe, America and the Middle East, resulting in widespread restrictions on the ability of people to travel, socialise and leave their homes. Global financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. All of which may negatively impact the performance of the Melville Douglas Select Fund Limited. However the board of directors, the investment

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 9. Significant events during the year (continued)

manager and all other service providers have enacted their respective business continuity plans and the board of directors will continue to monitor this situation closely.

There were no other significant events during the year that require disclosure in these financial statements.

### 10. Post statement of financial position events

There were no significant post statement of financial position events that require disclosure in these financial statements.

### 11. Contingent Liabilities

There were no contingent liabilities as at 30 September 2021 or as at 30 September 2020.

### 12. Approval of financial statements

The financial statements were approved by the Board of Directors on 12 January 2022.

# Melville Douglas Select Fund Limited

## Portfolio Statement

### Global Equity Class

As at 30 September 2021

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>				
<b>Common Stock</b>				
<b>Cayman Islands</b>				
Alibaba Group Holding Ltd ADR	115,470	23,852,338	17,094,179	1.83
Tencent Holdings Ltd	531,749	24,151,760	31,523,952	3.38
			48,618,131	5.21
<b>Denmark</b>				
Orsted AS '144A'	126,700	11,873,183	16,757,373	1.79
<b>Germany</b>				
Brenntag SE	427,500	27,395,034	39,927,507	4.28
<b>India</b>				
HDFC Bank Ltd ADR	542,260	32,879,068	39,647,340	4.25
<b>Ireland</b>				
ICON Plc	84,400	13,895,979	22,133,900	2.37
Linde Plc	121,000	22,766,232	35,496,560	3.80
			57,630,460	6.17
<b>Japan</b>				
Keyence Corp	57,780	18,899,593	34,554,071	3.70
<b>Jersey</b>				
Experian Plc	543,370	11,639,245	22,781,843	2.44
<b>Switzerland</b>				
Partners Group Holding AG	22,800	16,335,877	35,831,077	3.84
<b>United Kingdom</b>				
Prudential Plc	1,735,000	32,106,743	34,032,236	3.65
Unilever Plc	297,600	16,904,461	16,071,825	1.72
			50,104,061	5.37
<b>United States</b>				
Alphabet Inc	17,100	25,514,579	45,698,126	4.89
Amazon.com Inc	10,760	20,232,656	35,351,334	3.79
Amphenol Corp - Class A	562,000	32,852,583	41,152,450	4.41
Anthem Inc	93,830	24,969,062	34,969,972	3.75
Boston Scientific Corp	790,000	29,836,760	34,274,150	3.67
Ecolab Inc	97,400	18,434,414	20,317,640	2.18
Estee Lauder Cos Inc/The - Class A	96,000	20,366,614	28,785,600	3.08
Facebook Inc - Class A	116,000	33,276,295	39,357,640	4.22
Jackson Financial Inc	43,375	106,303	1,125,581	0.12
Johnson & Johnson	174,330	22,940,674	28,142,964	3.01
Mastercard Inc	98,000	20,601,826	34,059,410	3.65

# Melville Douglas Select Fund Limited

## Portfolio Statement (continued)

### Global Equity Class (continued)

As at 30 September 2021 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market (continued)</b>				
<b>Common Stock (continued)</b>				
<b>United States (continued)</b>				
Microsoft Corp	200,190	19,955,738	56,394,524	6.04
NIKE Inc	175,000	14,945,466	25,417,000	2.72
PepsiCo Inc	137,120	15,357,670	20,624,219	2.21
Starbucks Corp	295,170	24,989,013	32,564,630	3.49
UnitedHealth Group Inc	89,800	19,914,755	35,088,901	3.76
Verisk Analytics Inc - Class A	113,100	18,300,559	22,649,971	2.43
Visa Inc - Class A	153,000	20,454,162	34,072,335	3.65
			<u>570,046,447</u>	<u>61.07</u>
<b>Total Common Stock</b>			<b>915,898,310</b>	<b>98.12</b>
<b>Total Investments</b>		<b>635,748,642</b>	<b>915,898,310</b>	<b>98.12</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>915,898,310</b>	<b>98.12</b>
Net current assets			<u>17,533,016</u>	<u>1.88</u>
<b>Total net assets</b>			<b><u>933,431,326</u></b>	<b><u>100.00</u></b>

# Melville Douglas Select Fund Limited

## Portfolio Statement (continued)

### Global Impact USD Class\*

As at 30 September 2021

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>				
<b>Common Stock</b>				
<b>Denmark</b>				
Orsted AS '144A'	3,424	523,262	452,859	4.55
<b>Finland</b>				
Neste Oyj	5,738	370,859	325,247	3.27
<b>India</b>				
HDFC Bank Ltd ADR	4,965	386,168	363,016	3.64
<b>Ireland</b>				
Linde Plc	1,377	366,557	403,957	4.06
<b>Japan</b>				
Keyence Corp	408	185,716	243,996	2.45
<b>Spain</b>				
Iberdrola SA	36,774	467,477	370,054	3.72
<b>United Kingdom</b>				
Mondi Plc	17,885	457,184	441,128	4.43
Prudential Plc	17,175	368,787	336,890	3.38
			<u>778,018</u>	<u>7.81</u>
<b>United States</b>				
Alphabet Inc	180	367,940	481,033	4.83
Amazon.com Inc	90	276,083	295,690	2.97
ANSYS Inc	610	205,306	207,583	2.08
Anthem Inc	1,082	371,269	403,256	4.05
Boston Scientific Corp	9,520	372,764	413,025	4.15
Ecolab Inc	1,932	416,843	403,015	4.05
Enphase Energy Inc	1,285	212,317	192,679	1.93
IQVIA Holdings Inc	1,485	279,343	355,672	3.57
Jackson Financial Inc	429	1,221	11,133	0.11
Mastercard Inc	966	372,436	335,728	3.37
Microsoft Corp	1,961	459,418	552,424	5.55
PayPal Holdings Inc	1,101	283,279	286,425	2.88
Planet Fitness Inc	4,282	332,951	336,373	3.38
Plug Power Inc	6,636	204,762	169,517	1.70
Shopify Inc	301	335,032	408,118	4.10
UnitedHealth Group Inc	779	278,495	304,390	3.06
Visa Inc - Class A	1,648	372,575	367,001	3.69
			<u>5,523,062</u>	<u>55.47</u>
<b>Total Common Stock</b>			<b>8,460,209</b>	<b>84.97</b>

# Melville Douglas Select Fund Limited

## Portfolio Statement (continued)

### Global Impact USD Class\* (continued)

As at 30 September 2021 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market (continued)</b>				
<b>Investment Companies</b>				
<b>United States</b>				
iShares MSCI Global Impact ETF	7,266	695,665	696,301	6.99
iShares Self-Driving EV and Tech ETF	12,034	557,777	578,715	5.81
			<u>1,275,016</u>	<u>12.80</u>
<b>Total Investment Companies</b>			<b>1,275,016</b>	<b>12.80</b>
<b>Total Investments</b>		<b>9,521,486</b>	<b>9,735,225</b>	<b>97.77</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>9,735,225</b>	<b>97.77</b>
Net current assets			<u>222,275</u>	<u>2.23</u>
<b>Total net assets</b>			<b><u>9,957,500</u></b>	<b><u>100.00</u></b>

\*Class Fund launched on 12 March 2021.

# Melville Douglas Select Fund Limited

## Fund Statistics (Unaudited)

	Net asset value USD	Net asset value per share USD	% change in year**	Number of shares in issue	Highest Price* USD	Lowest Price* USD
<b>Global Equity Class – Class A Shares</b>						
30 September 2012	40,962,494	10.13	1.30	4,045,144	10.28	9.45
30 September 2013	121,541,315	11.23	10.86	10,825,899	11.43	9.84
30 September 2014	153,916,966	12.12	7.93	12,694,370	12.73	10.94
30 September 2015	156,129,444	11.53	(4.87)	13,544,699	13.06	11.34
30 September 2016	171,840,280	12.52	8.59	13,730,332	12.60	11.10
30 September 2017	227,737,640	14.86	18.69	15,323,737	14.93	11.95
30 September 2018	246,939,029	16.98	14.27	14,539,760	17.18	14.90
30 September 2019	215,568,776	17.60	3.65	12,248,249	18.32	14.49
30 September 2020	240,418,047	20.53	16.65	11,712,900	21.47	13.27
30 September 2021	332,427,349	24.37	18.70	13,638,472	26.11	20.21
<b>Global Equity Class – Class B Shares</b>						
At launch (9 September 2016)	128,601	9.82	-	13,094	-	-
30 September 2016	986,556	9.93	1.12	99,322	9.98	9.82
30 September 2017	6,905,958	11.81	18.93	584,745	11.86	9.48
30 September 2018	17,099,072	13.52	14.48	1,264,355	13.72	11.84
30 September 2019	26,865,557	13.99	3.48	1,920,453	14.58	11.52
30 September 2020	41,722,549	16.36	16.94	2,549,824	17.12	10.57
30 September 2021	69,038,889	19.52	19.32	3,536,271	20.92	16.11
<b>Global Equity Class – Class C Shares</b>						
At launch (10 November 2016)	73,357	9.99	-	7,346	-	-
30 September 2017	1,282,174	12.16	21.72	105,416	12.22	9.90
30 September 2018	3,444,267	13.97	14.88	246,548	14.15	12.20
30 September 2019	7,242,664	14.49	3.72	499,694	15.09	11.91
30 September 2020	13,660,375	17.07	17.81	800,130	17.85	10.99
30 September 2021	36,710,897	20.51	20.15	1,789,654	21.97	16.82
<b>Global Equity Class – Class X Shares</b>						
At launch (9 September 2016)	2,274,514	9.77	-	232,764	-	-
30 September 2016	2,154,526	9.89	1.23	217,870	9.93	9.77
30 September 2017	22,118,920	11.94	20.73	1,853,092	11.99	9.45
30 September 2018	102,112,524	13.87	16.16	7,359,790	14.02	11.97
30 September 2019	148,509,727	14.57	5.05	10,192,974	15.14	11.86
30 September 2020	282,051,723	17.30	18.74	16,303,940	18.08	11.09
30 September 2021	495,254,191	20.95	21.10	23,637,342	22.43	17.05

# Melville Douglas Select Fund Limited

## Fund Statistics (Unaudited) (continued)

Global Impact Class – Class X Shares***	USD	Net asset value	Net asset value per share	% change in year**	Number of shares in issue	Highest Price*	Lowest Price*
		USD	USD			USD	USD
At launch (12 March 2021)		9,245,894	9.99	-	924,600	-	-
30 September 2021		9,957,500	10.29	3.00	967,268	11.12	9.82

\* Prior to 30 September 2016 the highest price/lowest price was based on the reported net asset value for shareholder dealing which may be different from the financial statements.

\*\* Performance figures are based on the net asset value for financial reporting. This differs from the performance figures disclosed in the Investment Manager's Report, which are based on the net asset value for shareholders dealing.

\*\*\*Class Fund launched on 12 March 2021.

The performance data in this table covers the year from incorporation by way of a continuance in Jersey to date. Performance data for previous years can be found in the fact sheets issued by the Investment Manager.

# Melville Douglas Select Fund Limited

## Other Information (Unaudited)

### Total Expense Ratio (Unaudited)

The Total Expense Ratio (“TER”) is calculated and disclosed as per the guidelines issued by the Investment Management Association. The ratio expresses the sum of all costs charged on an ongoing basis to the Class Funds taken retrospectively as a percentage of the Class Fund’s average net assets. For clarity, when the Class Fund is investing in other funds, the ongoing cost of these funds is not incorporated in the calculation of the TER.

	<b>30 September 2021 USD</b>	<b>30 September 2020 USD</b>
Global Equity Class – Class A Shares (including performance fees)	2.21%	2.09%
Global Equity Class – Class A Shares (excluding performance fees)	1.23%	1.24%
Global Equity Class – Class B Shares	1.73%	1.75%
Global Equity Class – Class C Shares	1.03%	1.05%
Global Equity Class – Class X Shares	0.23%	0.24%
Global Impact USD Class – Class X Shares*	0.36%	-

\*Class Fund launched on 12 March 2021

Please refer to the Statement of Comprehensive Income for performance fees incurred during the year.

### Investment Purchases, Investment Sales and Commissions (Unaudited)

<b>Global Equity Class</b>	<b>30 September 2021 USD</b>	<b>30 September 2020 USD</b>
Gross purchases in year including transaction costs	248,272,456	168,780,131
Commissions	–	(13,370)
Net purchases total	<u>248,272,456</u>	<u>168,766,761</u>
Gross sales in year including transaction costs	<u>12,847,780</u>	<u>87,974,089</u>
Net sales total	<u>12,847,780</u>	<u>87,974,089</u>

### Global Impact USD Class\*

	<b>30 September 2021 USD</b>
Gross purchases in year including transaction costs	<u>10,092,714</u>
Net purchases total	<u>10,092,714</u>
Gross sales in year including transaction costs	<u>608,632</u>
Net sales total	<u>608,632</u>

\*Class Fund launched on 12 March 2021.

# Melville Douglas Select Fund Limited

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN pursuant to the Articles of Association of Melville Douglas Select Fund Limited (the "Company") that the Annual General Meeting of the Company will take place on 31 January 2022 at Standard Bank House, 47-49 La Motte Street, St. Helier, Jersey, Channel Islands at 10.45 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions:

### Ordinary resolution

1. That the financial statements for the year ended 30 September 2021 be approved and adopted.
2. That directors fees in the sum of USD30,000 and GBP5,000 for the year ended 30 September 2021 be approved.
3. That PricewaterhouseCoopers Ireland, be reappointed auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts are laid before the Company and that their remuneration be fixed by the directors.

**By order of the board**  
**STANLIB Fund Managers Jersey Limited**  
**Secretary**  
**12 January 2022**

### Notes

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead a proxy need not be a member of the Company.
2. To be valid this proxy form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for the meeting.
3. If the shareholder is a corporation the form must be executed either under its common seal or under the hand of an officer or attorney so authorised.
4. In the case of joint holders, the signature of any one joint holder will be sufficient, but the names of all joint holders should be stated.

**The Secretary  
 Melville Douglas Select Fund Limited  
 Standard Bank House  
 47-49 La Motte Street  
 St. Helier  
 Jersey  
 JE2 4SZ**

**Melville Douglas Select Fund Limited (the “Company”)**

**Form of Proxy**

*Please complete in  
 block capitals*

I/We .....

*Complete only if  
 Special proxy  
 desired. (See Note  
 a. below)*

being a holder(s) of.....Participating shares in the capital of the Company hereby appoint the Chairman of the Meeting or failing him:

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 31 January 2022 at 10.45 a.m. and at any adjournments thereof, in the following manner:

*Resolutions  
 \*Strike out whatever  
 is not desired*

Ordinary Resolution	No 1	For/Against*
	No 2	For/Against*
	No 3	For/Against*

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature \_\_\_\_\_

- |  |  |
|--|--|
| <p>a. If you desire to appoint a proxy other than indicated above, please delete the appropriate words and insert the name and address of your proxy</p> <p>c. To be valid, the proxy must be lodged with the secretary of the Company 48 hours prior to the time of the meeting</p> | <p>b. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit in relation to the resolutions referred to above</p> <p>d. A corporation should complete this form under its common seal or under the hand of a duly authorised officer or attorney</p> |
|--|--|