



**Melville Douglas Select Fund Limited  
Annual Report and Audited Financial Statements  
Year ended 30 September 2023**

# Melville Douglas Select Fund Limited

## Annual Report and Audited Financial Statements

For the year ended 30 September 2023

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# Melville Douglas Select Fund Limited

## Administration

### Directors

Graham Baillie (South African/British) (resigned on 10 August 2023)  
Michael Farrow\* (British) (Chairman) (Jersey Resident)  
Michael Laws (British) (South African Resident) (appointed on 11 August 2023)  
Oliver Sonnbichler (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  
IFC 5  
St. Helier  
Jersey JE1 1ST  
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 2023.

### **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 2023 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 2023, 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 where the business model is aligned to achieving a positive impact on society and the environment. This is achieved by investing in a globally diversified universe of companies.

### **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 (resigned 10 August 2023) is non-executive Chairman of Melville Douglas Investment Management (Proprietary) Limited. Michael Laws (appointed 11/08/2023) is an executive of Melville Douglas Investment Management (Proprietary) Limited. Oliver Sonnbichler 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 13,511.009 X Shares in the Global Equity Class and 15,084.5457 X Shares in the Global Impact Class. Michael Laws holds 15,559 X 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 2023 and subsequently was STANLIB Fund Managers Jersey Limited.

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



**Company Secretary**  
**15 January 2024**

# Melville Douglas Select Fund Limited

## Report of the Custodian

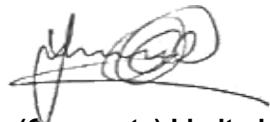
To the members of Melville Douglas Select Fund Limited

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 2023 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  
15 January 2024

# Melville Douglas Select Fund Limited

## Investment Manager's Report

For the year ended 30 September 2023

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

#### Fund Review

We have seen a recovery in global equity markets over the last 12 months. The fund was able to deliver both a strong absolute performance. The A-class, B-class, C-class and X-class returned +20.75%, 20.15%, +20.99% and +21.96% respectively against +20.80% for the benchmark.

This outperformance of the MSCI All Country World index has been driven by our stock selection. Style worked in our favour over the period with the MSCI Growth Index up 24% versus the MSCI Value Index which was up 17%. Market performance was dominated by hefty gains in a small group of "magnificent seven" monopolistic US Tech stocks (Apple, Microsoft, Google, Amazon, Nvidia, Meta and Tesla). The fund kept up as it held large positions in four of them in size (Microsoft, Google, Amazon and Meta). The mega-cap tech rally year-to-date has been a key driver in 2023. It can be attributed to: 1) A new-found focus on cost efficiency by these firms in response to the share price slump in 2022. 2) Stabilization in ecommerce and digital advertising demand following a post-pandemic lockdown hangover. 3) Artificial intelligence app launches that provided the speculative rocket fuel for the AI winners – mega-cap tech. Unlike the dotcom bubble of the late 1990s, the current upward move in tech stocks is being led by highly profitable companies trading on realistic valuations.

Meta which was one of the fund's biggest losers last year was the best performing stock in the fund over the 12 months (+121%). Meta has consistently reported significantly better than expected earnings over the last few quarters. Advertising revenue has accelerated, and profits have been boosted by better cost containment. The company has announced a slew of cost cutting measures throughout the year rationalizing both headcount and spend on the metaverse. The IDFA headwinds have subsided as the company has invested in its own technology to provide advertisers with tracking data that are supportive of better advertising ROIs. The stock has also been a beneficiary of the AI rally.

Another of last year's losers that has outperformed this year is Partners Group, the largest listed alternative asset manager in Europe. The share price which was impacted by macro uncertainty and volatile markets last year has recovered nicely this year on improving market conditions. The private equity player saw its share price benefit as they reported better than expected funding commitments. They also reiterated their 2023 fundraising guidance which allayed market fears. Management has commented that it has seen a normalisation in client engagement.

Verisk which has struggled in the last few years with lack of focus and mediocre execution, is now delivering. They have disposed of non-core businesses and have been consistently delivering on their targets the last few quarters. They have indicated that they have strengthened their value proposition with customers through better engagement and product innovation. Importantly they have reported a strong topline growth number above the long-term algorithm of 7% in the last few quarters.

Estee Lauder has disappointed over the period as management guidance has been continuously and materially cut throughout the year. Given how difficult it has been to forecast the bottom in Asian travel retail, combined with very low visibility into the outlook for mainland China, investors have low conviction on the shape of recovery that is baked into F24 guidance. The inconsistent and weaker than expected performance in the US is now also starting to worry investors given that Asia is no longer outperforming to mask the US's underperformance.

Orsted released a press statement outlining total impairments of DKK 16bn for their US portfolio which is 56% of the capital employed in US offshore wind and 10% of total group capital employed. The impairment is a combination of cash impacts of higher capex and lost revenue, with also some accounting treatment regarding interest rate impact. The total charge represents 7% of the company's market cap however the stock was down considerably more given concerns that the negative newsflow may continue and there is potential read-through for the entire renewables industry that project returns are under pressure in this high interest rate environment.

# Melville Douglas Select Fund Limited

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

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

#### **Fund Review (continued)**

Thermo Fisher has indicated that while their entire customer base is cautious, biotech customers are more cautious as they are more concerned about when the funding environment will improve. They are also seeing weakness in China. What has been most disappointing to the market has been their guidance. FY23 guidance has been cut due to a weakening macro environment and customer cautiousness. They also spoke to a muted FY24.

#### **Market Overview**

The major themes driving the rebound year to date are optimism around interest rates and inflation peaking, and the view that it is a matter of time before we see the last interest rate hike of this cycle. Market fears of a recession have been allayed by resilient economic data with the US proving robust and the rest of the world managing to muddle through. Corporate Earnings have been another area of resilience. China has been underwhelming given the weak macro, struggling property market and high unemployment. Market performance has been led by large cap tech, with the AI theme a key focus.

#### **Looking Ahead**

Beyond making a macro call on whether the global economy is headed for a soft or hard landing, we are reassured about the strength of the franchises invested in the fund. Although no company is immune to a macro slowdown, our focus on owning businesses with a sustainable competitive edge, growth markets and strong balance sheets means that they will live another day even if a more pessimistic top-down view pans out. Navigating these volatile markets, requires focus on our offense (deep bench of quality investment ideas) and also our defense (selling underperforming ideas). At Melville Douglas we have a well-defined sell discipline that helps guide our decisions as well as a monitored list (a list of successfully screened companies that are subject to our in-depth analysis and meet our quality business criteria) which provides a deep bench of options to buy.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

For the year ended 30 September 2023

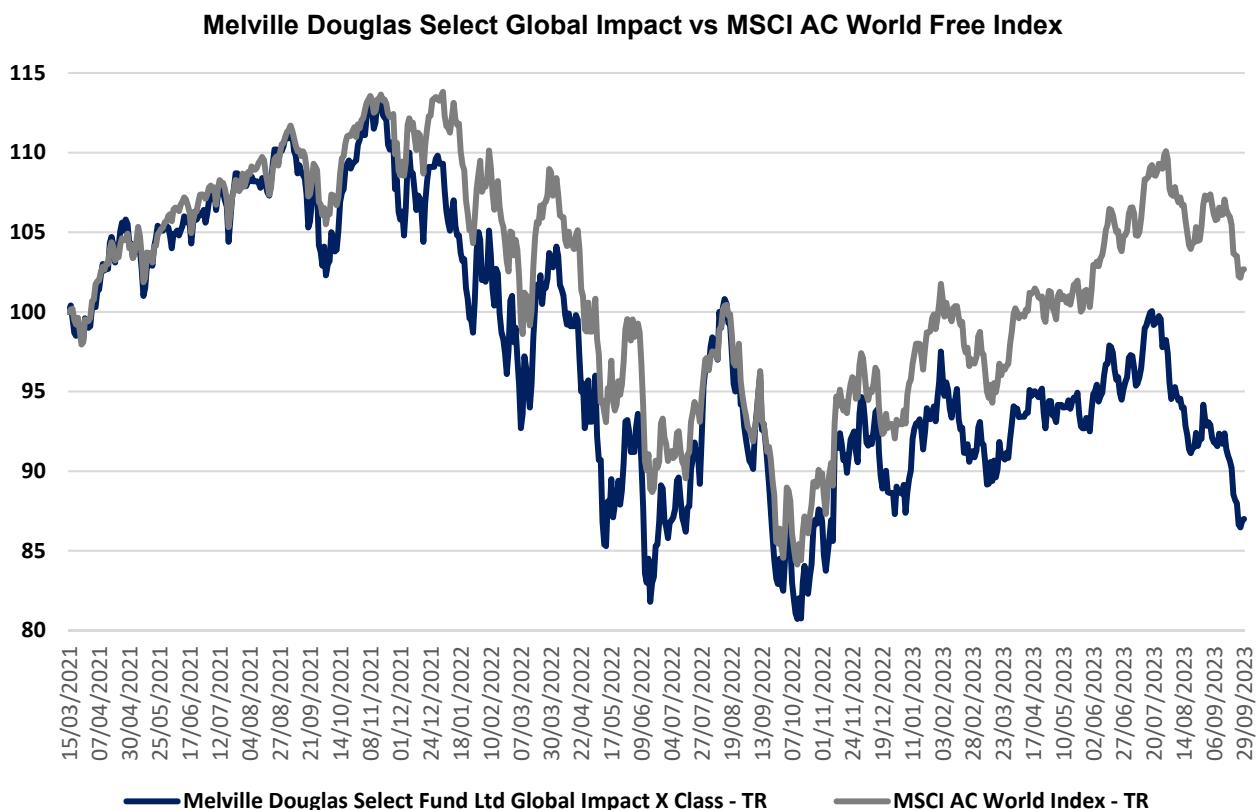
### Global Impact USD Class (the “Class Fund”)

#### Fund Review

Current Impact Themes within the Fund include Climate Change, Health & Wellbeing, and Biodiversity Preservation, which encompass what the team believes to be are the world's most pressing challenges. The team selects high-quality businesses whose impact thesis places them within one of these themes, and through their business operations or supply chain management, are driving a positive, tangible impact on society and the environment. The proprietary Impact Assessment framework ensures a detailed due diligence of the sustainability criteria and key metrics that demonstrate a firm commitment towards delivering impact, and is the initial filter for a company's eligibility for inclusion into the Fund.

The fund had a difficult year on an absolute performance basis, with the X and A Classes returning +5.46% and +4.42% respectively, underperforming the MSCI AC World Free Index which was up 20.8% over the same time period. The total NAV of the Fund at year end was \$56.5m.

**Figure 1: Global Impact Fund Performance vs MSCI AC World (Since Inception)**



Risk assets began making a comeback during the fourth quarter of calendar year 2022, with the MSCI ACWI returning 9.76% for the quarter as investors focused on the improved outlook for inflation as consumer goods, food, and energy prices all eased. This led to market participants predicting an end to the FOMC rate hiking cycle. This was not to be though as inflation remained stubbornly high and, coupled with a vibrant labour market, resulted in a further 100bps of rate hikes in 2023. The consequence is the most aggressive interest rate hiking cycle in recent history with the FOMC raising rates by a whopping 525 basis points since March 2022 and unemployment remaining at historic lows, below 4 percent.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

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

#### Fund Review (continued)

For calendar year 2023 to the end of September, the MSCI ACWI was up another 10.1%, although the market was highly concentrated with performance dominated by the "Magnificent Seven". The "Magnificent Seven" refers to a group of seven mega-cap technology companies including Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla and Meta which account for the majority, over 90%, of the ACWI positive performance. Market breadth remained narrow throughout 2023, particularly in the US, with almost 10% of the 13% total return on the S&P500 coming from Nvidia, Microsoft, Alphabet, Meta and Apple. This is the key reason why 71% of active funds have underperformed the index as it is very hard to keep up with this kind of concentration.

While the US economy appears to be on a different growth trajectory to the rest of the world, softening in economic data elsewhere, particularly in Europe and China, has led to growing concern about the near-term growth outlook, which has resulted in a softening of global leading indicators and negative revisions to corporate earnings. During the third quarter of calendar year 2023, the MSCI ACWI declined -3.4%. Several factors unnerved investors, such as the prospect of interest rates remaining higher for longer, and bond yields reaching their highest level of this cycle so far. This has resulted in equity prices adjusting lower to a higher discount rate. The downgrade of US sovereign credit combined with a sharp uptick in issuances added impetus to the trend in yields. Investors got used to a decade-and-a-half of historically low rates post the Global Financial Crisis and it was only a few years ago, during the midst of the COVID-19 pandemic in 2020, that the 10-year US Government Treasury yield hit an all-time intra-day low of 0.3%. Since then, we have experienced an astonishing turnaround, and it's worth remembering that the annual rise in the 10-year yield of c. 230bps over 2022 was already the biggest annual increase since 1788. Long duration growth assets, typical of Impact shares, felt the brunt of the pain.

'Impact' as an investment theme has struggled throughout 2023 with the MSCI ACWI Sustainable Impact Index down -3.9% year-to-date and -4.0% during the third quarter. One such factor contributing to the underperformance is the increased politicisation of ESG investing in the US, where the Republican Party has led a backlash against ESG investing, accusing it of being a "woke" practice that imposes a liberal agenda on the market and harms traditional industries such as coal, oil and gas. Republicans have introduced legislation in several states, such as Florida and Texas, that restrict state and local pension funds from investing in companies that align with ESG criteria or divest from fossil fuels. Hedge funds have seen this as an opportunity, and are short selling companies that were supposed to benefit from climate stimulus packages such as the Inflation Reduction Act. Their short bets are turbo-charging a wider selloff in "green" stocks that are being pummelled by everything from higher interest rates to supply-chain bottlenecks.

Several other regions have also seen clean energy policy delays this year as governments seek to tame inflation related to high energy prices that have triggered a backlash from consumers and businesses that face higher electricity bills or fuel costs. A prime example of such a policy change was the May 2023 ruling of Sweden's coalition government, influenced by the right-wing populist Sweden Democrats, to reduce the biofuels obligation to 6% for both petrol and diesel, down from the current 7.8% and 30.5% respectively. The decision was motivated by the cost-of-living crisis amid soaring inflation. In September 2023, UK Prime Minister Rishi Sunak proposed that the ban on the sale of new fossil-fuel cars would be pushed back five years to 2035, along with delays to transition from gas boilers to heat pumps, thus watering down key parts of the UK's green agenda. This represents a political gamble, ahead of 2024 elections, that conceding some ground to the climate-sceptic political right will appeal to Britons hit by a cost-of-living crisis. Sunak's proposal has drawn criticism from the investment community through a letter with 32 signatories, representing over £1.5trn in assets under management, expressing deep concern with the proposals to "backtrack on vital policy measures that support the UK's transition to net zero". The letter focused on the importance of an "enabling policy environment" to create conditions for investors to be able to make long-term investment and asset allocation decisions.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

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

#### Fund Review (continued)

Despite these setbacks, which we view as short-term, we remain long-term impact investing bulls and particularly favour the clean energy sector given the climate crisis which is unfolding, with 2023 being a year of climate chaos. January began with the sixth-warmest January on record, but also high levels of rainfall, making 2023's January the third-wettest on record. In February, in the US, Texas and the Midwest were hit by an ice storm that left millions without power and water for days. March saw Cyclone Freddy, one of the longest-lived and most energetic tropical cyclones on record, lasting for more than a month and making landfall twice in Mozambique. It killed at least 400 people in both Malawi and Mozambique and injured dozens more. Scientists have linked the increasing intensity and frequency of cyclones to rising sea surface temperatures and changing wind patterns due to climate change. April was marked by several heat waves in Asia and the Mediterranean with both being attributed by scientists to climate change. During May, wildfires raged in Alberta, Canada, reducing air quality all over the world, whilst June saw India experience a heat wave that led to several power outages and nearly 170 deaths. July 3 through 6 were the four hottest days on record globally, and in August, Greece faced its worst wildfires in decades, which were again attributed to climate change which is reducing rainfall and increasing evaporation. In September, Libya experienced torrential rainfall that caused devastating floods. Each September, Antarctica's sea ice reaches its maximum extent, but the 2023 maximum was 1.75 million sq km below the long-term average, and about 1 million sq km below the previous record low maximum set in 1986. This loss of sea ice is consistent with climate change projections and has far-reaching consequences for the planet. Sea ice helps protect land-based ice from entering the ocean and pushing up sea levels, and it also reflects the sun's heat energy back out to space, thus helping to slow global warming. The planet is changing rapidly, and policy makers will need to respond urgently. The Global Impact Fund is well positioned to take advantage of the long-term structural growth themes across climate change, biodiversity preservation, and health and wellbeing.

Regarding the Fund performance, Financials (+3.93%) and Information Technology (+1.85%) were the biggest sector contributors to the Fund's absolute performance. Within Financials, Visa and Mastercard were the standout performers, delivering strong operating metrics throughout the year as consumer spending trends, particularly in the US, remained resilient, and cross border travel transactions continued to surprise on the upside. Within Information Technology, Microsoft and Shopify were the biggest contributors. Microsoft continued to report solid earnings results throughout the year, with their Intelligent Cloud business unit posting impressive sales growth, driven by a surge in Azure and other cloud services. Furthermore, Artificial Intelligence continued to be a dominant theme throughout the year and Microsoft demonstrated that it is very well positioned to benefit from the increased adoption of AI. The company has increased its investment in OpenAI, the developer of ChatGPT, and has also integrated ChatGPT into its Bing search platform. These developments continued to provide positive sentiment towards the stock. Shopify benefitted from a change in strategy, and a return to profitability throughout the year. They announced the sale of their logistics business which had been a burden on the business, and announced price increases and workforce reductions which significantly improved profitability.

Industrials (-2.06%) and Consumer Staples (-0.78%) detracted most from the fund's absolute performance over the year. Within Industrials, Plug Power was the main detractor, with the company's financial results continuing to disappoint the market as the operating loss widened, and management credibility became more of an issue due to poor delivery of financial metrics versus prior guidance. The company's balance sheet has also come into focus as the cash burn rate increased, indicating the need for additional funding. Within Consumer Staples, Barry Callebaut is the sole holding, and weakness in the share price was driven by investor perception that high cocoa prices would result in a poor financial performance from the company.

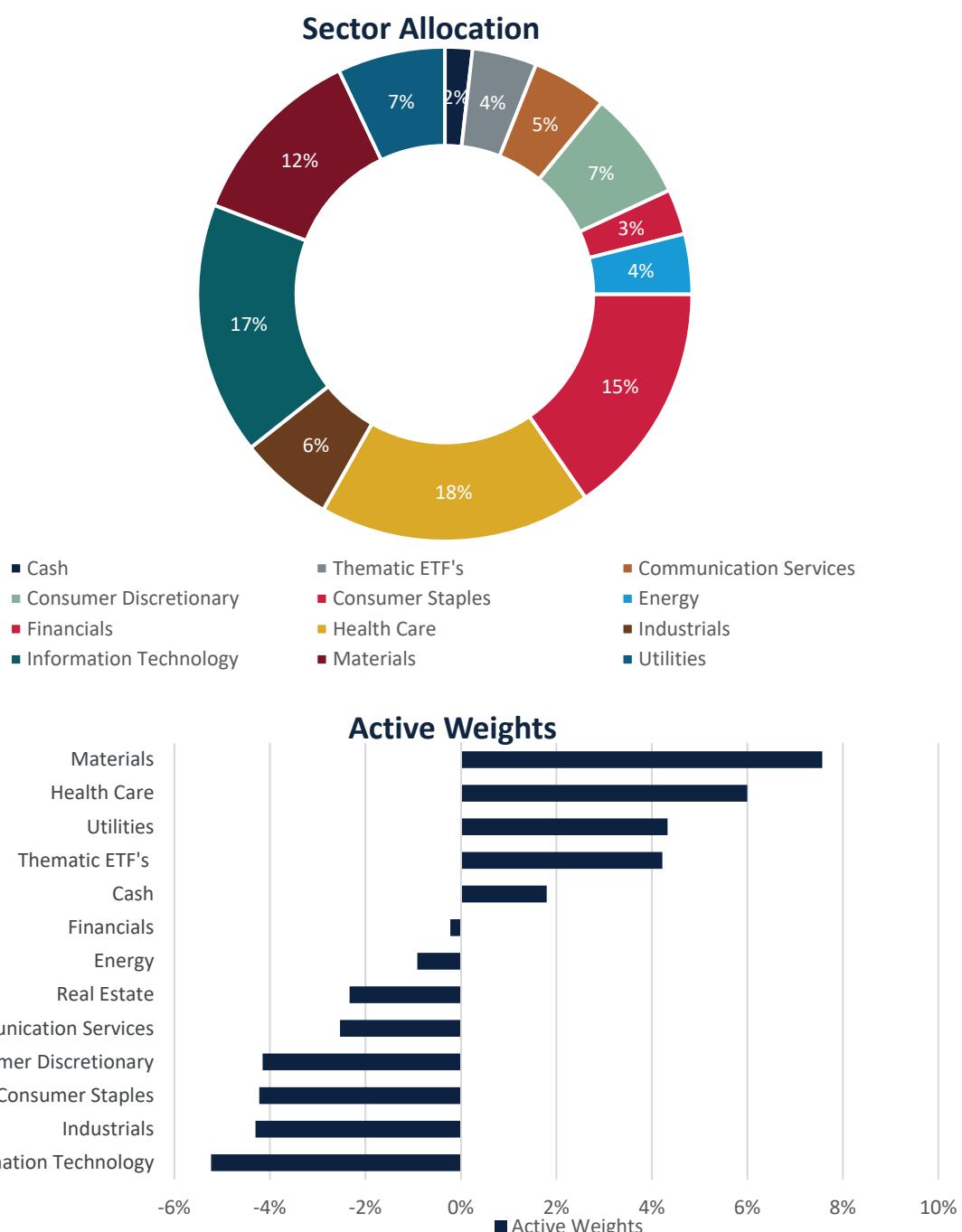
# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

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

#### Fund Positioning

Figure 2: Fund Sector Allocation and Active Weight relative to the MSCI ACWI

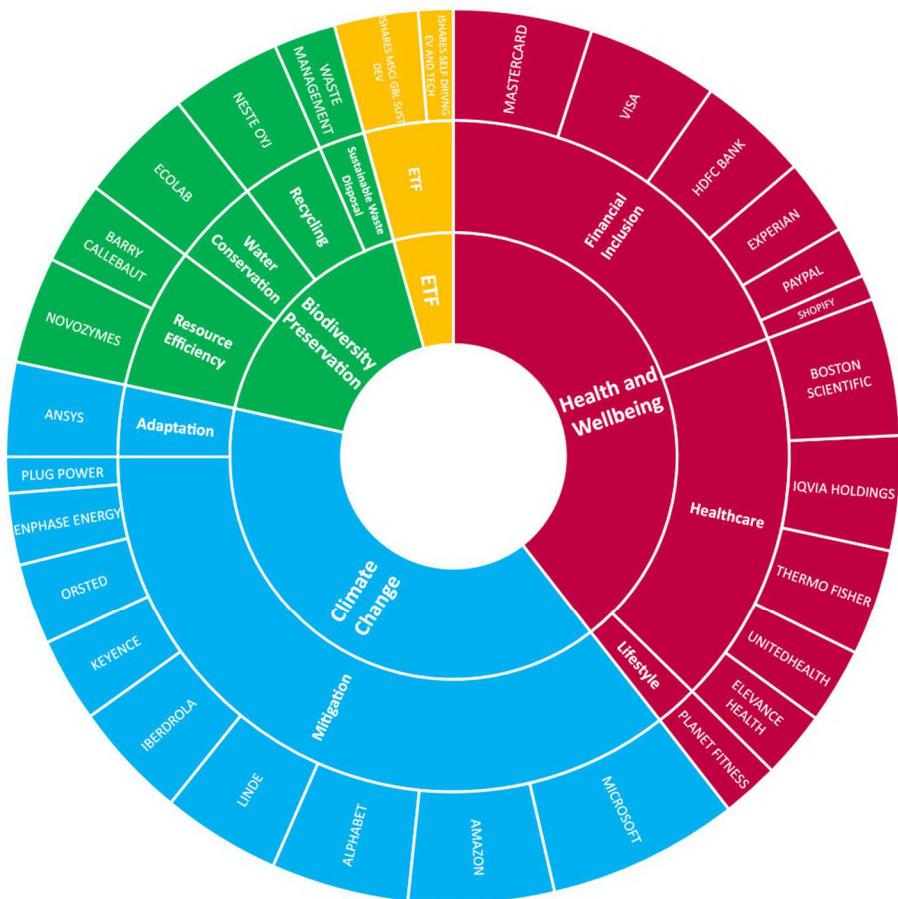


## Melville Douglas Select Fund Limited

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

## Fund Positioning (continued)

### Figure 3: Fund Thematic Exposure



Information Technology, Healthcare and Financials are the largest sector weightings in the Fund, which are likely to persist, given that diverse holdings within these sectors fall within the key Impact Themes of Climate Change and Health & Wellbeing. The exposure to thematic ETF's currently stands at around 4.22%. These are held to capture ideas aligned to the fund's themes where we aim to, but don't currently have, direct equity exposure. These will be further reduced over time as appropriate stock coverage is increased and new ideas are introduced into the fund. The thematic ETF exposure consists of two ETF's, namely the iShares MSCI Global Sustainable Development Goals ETF, and the iShares Self-driving EV & Tech ETF.

From an active sector positioning perspective, the fund is most overweight Materials, Healthcare, and Utilities. The exposure to the Materials sector includes a diverse range of companies, including Ecolab and Novozymes, which contribute to the Impact Theme of Biodiversity Preservation through water treatment and conservation, and resource efficiency, respectively, and Linde, which plays an important role in Climate Change mitigation through the avoidance of a significant amount of GHG emissions due to the products and services it offers. The overweight to Healthcare consists of companies offering a broad range of exposure to medical insurance, clinical research, trial services, laboratory consumables, and diagnostic kits used to increase the speed and accuracy of disease diagnosis. Within Utilities, exposure is through Iberdrola and Orsted, two companies that are strongly positioned in the Renewable Energy space, which has strong tailwinds given the need for economies to decarbonize, driven by recent policies such as the US IRA of 2022, and the EU Net Zero Industry Act.

# Melville Douglas Select Fund Limited

## Investment Manager's Report (continued)

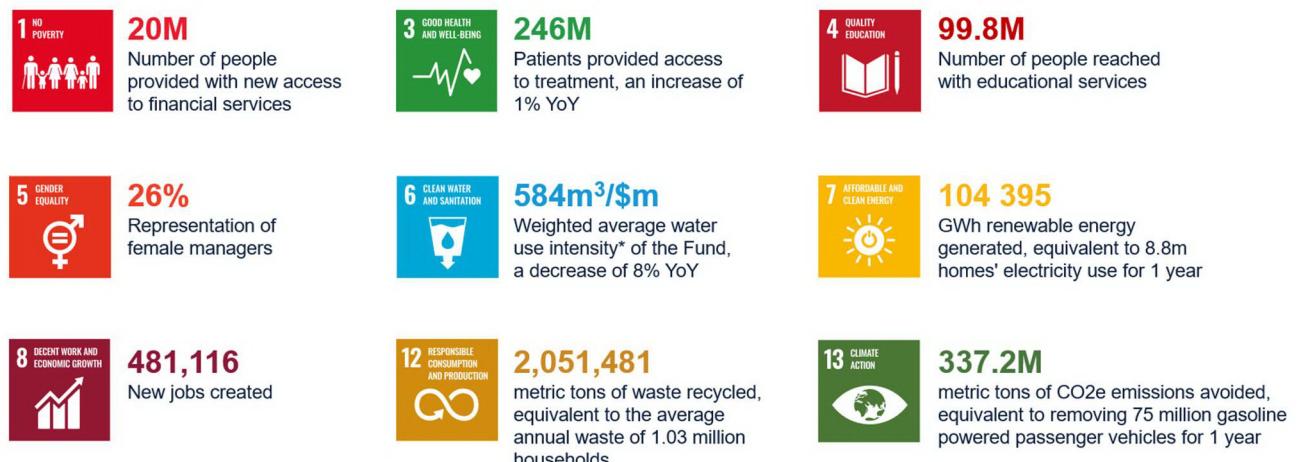
### Fund Positioning (continued)

The fund's significant underweights are Information Technology, Industrials, and Consumer Staples. As we continue to search for new ideas within the fund's Impact Themes, we will look to reduce these underweights where appropriate.

### Impact Key Performance Indicators (KPIs) of the Fund

In partnership with NetPurpose, who assists with consolidating the underlying impact data metrics of the companies held in the Fund, the tangible impact that these companies have delivered during their most recent financial year is measured. Reporting of the Fund Impact KPIs is aligned with key UN Sustainable Development Goals (SDGs) which broadly reflect the Impact Themes of the Fund. The total impact delivered by companies in the Fund is shown below.

Impact Key Performance Indicators (KPIs): Total tangible impact delivered by investee companies in the Fund



Source: NetPurpose, Melville Douglas Impact Fund Calculations. Latest FY data.  
\* Surface and Ground water sources

**Melville Douglas Investment Management (Proprietary) Limited**  
**Investment Manager**  
**22 November 2023**

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

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

#### **Opinion**

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

- give a true and fair view of the financial position of the company and class funds as at 30 September 2023 and of their 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 Statements of Financial Position as at 30 September 2023;
- the Statements of Comprehensive Income for the year then ended;
- the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares for the year then ended;
- the Portfolio Statement for each of the class funds as at 30 September 2023; and
- the notes to the financial statements for the company and for each of its class funds, which include a description of the significant accounting policies.

#### **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.

#### **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 and class funds' 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 and class funds' 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 and class funds' 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\\_udit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_a_udit.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

Patrick Glover  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants  
Dublin, Ireland  
19 January 2024

# Melville Douglas Select Fund Limited

## Statement of Financial Position

As at 30 September 2023  
(Comparatives as at 30 September 2022)

	Notes	Global Equity Class 30 September 2023	Global Equity Class 30 September 2022	Global Impact USD Class 30 September 2023	Global Impact USD Class 30 September 2022
		USD	USD	USD	USD
<b>Assets</b>					
Financial assets at fair value through profit or loss	2(b), 7.4	864,821,301	748,529,769	55,362,874	54,950,840
Cash and cash equivalents	2(c)	8,735,699	13,145,525	1,012,874	1,824,138
Receivable for shares sold	2(f)	915,854	2,054,013	240,000	219,000
Income receivable	2(d)	215,020	192,984	46,851	23,396
Other receivables	—	—	—	—	598
<b>Total assets</b>		<b>874,687,874</b>	<b>763,922,291</b>	<b>56,662,599</b>	<b>57,017,972</b>
<b>Liabilities</b>					
Payable for shares redeemed	2(f)	185,560	395,965	163,538	124,501
Management fees payable	2(g)	455,927	453,591	10,216	10,637
Custodian fees payable	2(g)	7,164	7,074	1,582	1,690
Sub-Custodian fees payable	2(g)	4,640	1,993	696	—
Director fees payable	2(g)	8,710	8,744	604	633
Audit fees payable	2(g)	11,030	12,561	808	441
Other payables		13,712	10,618	929	798
<b>Total liabilities</b>		<b>686,743</b>	<b>890,546</b>	<b>178,373</b>	<b>138,700</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>874,001,131</b>	<b>763,031,745</b>	<b>56,484,226</b>	<b>56,879,272</b>
<b>Net asset value per share</b>					
Class A Shares		22.56	18.68	10.06	9.64
Class B Shares*		17.89	14.89	9.48	—
Class C Shares*		19.07	15.76	9.51	—
Class X Shares		19.79	16.23	8.70	8.25

\*Effective 24 March 2023, Global Impact USD Class Fund launched Global Impact USD Class B and Global Impact USD Class C shares.

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 2023  
(Comparatives as at 30 September 2022)

	Notes	Total 30 September 2023 USD	Total 30 September 2022 USD
<b>Assets</b>			
Financial assets at fair value through profit or loss	2(b), 7.4	920,184,175	803,480,609
Cash and cash equivalents	2(c)	9,748,573	14,969,663
Receivable for shares sold	2(f)	1,155,854	2,273,013
Income receivable	2(d)	261,871	216,380
Other receivables		—	598
<b>Total assets</b>		<b>931,350,473</b>	<b>820,940,263</b>
<b>Liabilities</b>			
Payable for shares redeemed	2(f)	349,098	520,466
Management fees payable	2(g)	466,143	464,228
Custodian fees payable	2(g)	8,746	8,764
Sub-Custodian fees payable	2(g)	5,336	1,993
Director fees payable	2(g)	9,314	9,377
Audit fees payable	2(g)	11,838	13,002
Other payables		14,641	11,416
<b>Total liabilities</b>		<b>865,116</b>	<b>1,029,246</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>930,485,357</b>	<b>819,911,017</b>

The financial statements were approved by the Board on 15 January 2024 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 2022 to 30 September 2023  
 (Comparatives are for the year 1 October 2021 to 30 September 2022)

	Notes	Global Equity Class 30 September 2023	Global Equity Class 30 September 2022	Global Impact USD Class 30 September 2023	Global Impact USD Class 30 September 2022
<b>Income</b>					
Dividend income	2(d)	10,504,394	9,041,530	553,533	292,674
Deposit interest	2(d)	178,837	20,890	31,584	2,951
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 3	158,024,834	(224,148,515)	3,074,076	(12,540,409)
<b>Total net gain/(loss)</b>		<b>168,708,065</b>	<b>(215,086,095)</b>	<b>3,659,193</b>	<b>(12,244,784)</b>
<b>Expenses</b>					
Management fees	2(g)	5,629,727	6,191,033	133,137	76,492
Custodian fees	2(g)	88,409	90,292	20,665	12,956
Sub-Custodian fees	2(g)	59,033	53,392	9,200	5,725
Performance fees	2(g)	—	80,908	—	—
Directors' fees	2(g)	34,300	35,969	2,507	1,288
Audit fees	2(g)	11,030	12,561	807	441
Sundry expenses		54,263	45,189	4,057	26,039
<b>Total operating expenses</b>		<b>5,876,762</b>	<b>6,509,344</b>	<b>170,373</b>	<b>122,941</b>
<b>Net income/(expense) before finance costs</b>		<b>162,831,303</b>	<b>(221,595,439)</b>	<b>3,488,820</b>	<b>(12,367,725)</b>
<b>Finance Costs:</b>					
Bank interest	2(d)	(34)	(123)	—	(11)
<b>Total Finance Costs</b>		<b>(34)</b>	<b>(123)</b>	<b>—</b>	<b>(11)</b>
Taxation	2(i), 4	(2,564,292)	(2,292,462)	(144,599)	(72,479)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations</b>		<b>160,266,977</b>	<b>(223,888,024)</b>	<b>3,344,221</b>	<b>(12,440,215)</b>

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 2022 to 30 September 2023  
 (Comparatives are for the 1 October 2021 to 30 September 2022)

	Notes	Total 30 September 2023 USD	Total 30 September 2022 USD
<b>Income</b>			
Dividend income	2(d)	11,057,927	9,334,204
Deposit interest	2(d)	210,421	23,841
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 3	161,098,910	(236,688,924)
<b>Total net gain/(loss)</b>		<b>172,367,258</b>	<b>(227,330,879)</b>
<b>Expenses</b>			
Management fees	2(g)	5,762,864	6,267,525
Custodian fees	2(g)	109,074	103,248
Sub-Custodian fees	2(g)	68,233	59,117
Performance fees	2(g)	–	80,908
Directors' fees	2(g)	36,807	37,257
Audit fees	2(g)	11,837	13,002
Sundry expenses		58,320	71,228
<b>Total operating expenses</b>		<b>6,047,135</b>	<b>6,632,285</b>
<b>Net income/(expense) before finance costs</b>		<b>166,320,123</b>	<b>(233,963,164)</b>
<b>Finance Costs:</b>			
Bank interest	2(d)	(34)	(134)
<b>Total Finance Costs</b>		<b>(34)</b>	<b>(134)</b>
Taxation	2(i), 4	(2,708,891)	(2,364,941)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations</b>		<b>163,611,198</b>	<b>(236,328,239)</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 2022 to 30 September 2023

(Comparatives are for the year 1 October 2021 to 30 September 2022)

Notes	Global Equity Class	Global Equity Class	Global Impact USD Class	Global Impact USD Class
	30 September 2023 USD	30 September 2022 USD	30 September 2023 USD	30 September 2022 USD
Net assets attributable to holders of redeemable shares at the beginning of the year	763,031,745	933,431,326	56,879,272	9,957,500
Proceeds from the issue of shares	5	81,983,656	137,895,098	4,534,309
Payments on the redemption of shares	5	(131,281,247)	(84,406,655)	(8,273,576)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities</b>	<b>160,266,977</b>	<b>(223,888,024)</b>	<b>3,344,221</b>	<b>(12,440,215)</b>
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>	<b>874,001,131</b>	<b>763,031,745</b>	<b>56,484,226</b>	<b>56,879,272</b>
Notes	Total 30 September 2023 USD	Total 30 September 2022 USD		
Net assets attributable to holders of redeemable shares at the beginning of the year	819,911,017	943,388,826		
Proceeds from the issue of shares	5	86,517,965	198,451,955	
Payments on the redemption of shares	5	(139,554,823)	(85,601,525)	
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities</b>	<b>163,611,198</b>	<b>(236,328,239)</b>		
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>	<b>930,485,357</b>	<b>819,911,017</b>		

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 2023 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 for its annual and FRS 104 "Interim Financial Reporting" 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 pages 18 and 20. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on page 18 and 19 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 are 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 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	Global Equity Class	Global Impact USD Class	Global Impact USD Class
	30 September 2023 USD	30 September 2022 USD	30 September 2023 USD	30 September 2022 USD
Non-derivative securities:				
Net realised gain/(loss) on investments	35,643,061	(1,004,038)	(2,229,907)	181,874
Net movement in unrealised investment schemes	122,381,773	(223,144,477)	5,303,983	(12,722,283)
<b>Net gain/(loss) on financial assets at fair value through profit or loss</b>	<b><u>158,024,834</u></b>	<b><u>(224,148,515)</u></b>	<b><u>3,074,076</u></b>	<b><u>(12,540,409)</u></b>
	<b>Total</b> <b>30 September</b> <b>2023</b> <b>USD</b>	<b>Total</b> <b>30 September</b> <b>2022</b> <b>USD</b>		
Non-derivative securities:				
Net realised gain/(loss) on investments	33,413,154	(822,164)		
Net movement in unrealised investment schemes	127,685,756	(235,866,760)		
<b>Net gain/(loss) on financial assets at fair value through profit or loss</b>	<b><u>161,098,910</u></b>	<b><u>(236,688,924)</u></b>		

### 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.

Global Equity Class	30 September 2023 USD	30 September 2022 USD
Overseas tax - withholding tax on dividend income	2,564,292	2,292,462

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 4. Taxation (continued)

	30 September 2023 USD	30 September 2022 USD
<b>Global Impact USD Class</b>		
Overseas tax - withholding tax on dividend income	144,599	72,479
<b>Total MD Select Funds</b>	<b>USD</b>	<b>USD</b>
Overseas tax - withholding tax on dividend income	2,708,891	2,364,941

### 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:

	30 September 2023 USD	30 September 2022 USD
Current account	100	100
Management shares of USD1.00 each		
Authorised, issued and fully paid	100	100

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 2023.

	Number of shares at 30 September 2022	Issued during the year	Redeemed during the year	Number of shares at 30 September 2023
Global Equity Class - Class A Shares	13,499,935	309,819	(2,137,752)	11,672,002
Global Equity Class - Class B Shares	3,747,475	174,407	(588,511)	3,333,371
Global Equity Class - Class C Shares	1,942,679	216,318	(263,539)	1,895,458
Global Equity Class - Class X Shares	26,156,441	3,610,299	(3,746,699)	26,020,041
Global Impact USD Class - Class A Shares	54,833	10,315	—	65,148
Global Impact USD Class - Class B Shares*	—	14,460	—	14,460
Global Impact USD Class - Class C Shares*	—	13,519	—	13,519
Global Impact USD Class - Class X Shares	6,831,304	449,735	(894,282)	6,386,757

\*Effective 24 March 2023, Global Impact USD Class Fund launched Global Impact USD Class B and Global Impact USD Class C shares.

The following tables show the movement in participating shares during the year ended 30 September 2022.

	Number of shares at 30 September 2021	Issued during the year	Redeemed during the year	Number of shares at 30 September 2022
Global Equity Class - Class A Shares	13,638,472	1,399,668	(1,538,205)	13,499,935
Global Equity Class - Class B Shares	3,536,271	471,166	(259,962)	3,747,475
Global Equity Class - Class C Shares	1,789,654	303,258	(150,233)	1,942,679
Global Equity Class - Class X Shares	23,637,342	4,626,117	(2,107,018)	26,156,441
Global Impact USD Class - Class A Shares	—	54,833	—	54,833
Global Impact USD Class - Class X Shares*	967,268	5,993,490	(129,454)	6,831,304

### 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.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

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

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.

There are no performance fees charged in respect 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 GBP23,000 per annum from the Company as director fees. Graham Baillie, Oliver Sonnbichler 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 2023 amounted to USD36,807 (30 September 2022: USD37,257) with USD9,314 (30 September 2022: USD9,377) outstanding at the year end.

Robert Stewart holds 13,511.009 X Shares in the Global Equity Class and 15,084.5457 X Shares in the Global Impact Class. Michael Laws holds 13,511.009 X Shares in the Global Equity Class.

The fees incurred during the year ended 30 September 2023 and 30 September 2022 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 2023 the USD Balanced Class Fund held 28,017 shares (30 September 2022: 40,735 shares) in the Melville Douglas Select Fund Limited – Global Impact USD Class Fund, a related party which have appointed the same Manager, Investment Manager and Directors as the Fund.

As at 30 September 2023 the USD Global Growth Class Fund held 687,541 shares (30 September 2022: 926,533 shares) in the Melville Douglas Select Fund Limited – Global Impact USD 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.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 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.

The Class Fund's exposure to market price arises from its equity investments with a maximum exposure at the year end of USD920,184,175 (30 September 2022: USD803,480,609). 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):

	30 September 2023 USD	30 September 2022 USD
Global Equity Class	43,241,065	37,426,488
Global Impact USD Class	2,768,144	2,747,542

##### 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 significant 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)

The tables below show the currency exposure of each Class Fund as at 30 September 2023 and 30 September 2022.

#### Global Equity Class

Exposure currency 30 September 2023	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
CHF	52,328,588	—	—	52,328,588	5.99
EUR	60,871,318	—	—	60,871,318	6.97
GBP	20,281,975	1	—	20,281,976	2.32
HKD	24,042,457	—	—	24,042,457	2.75
JPY	28,194,371	—	55,144	28,249,515	3.23
USD	679,102,592	8,735,698	388,987	688,227,277	78.74
	<u>864,821,301</u>	<u>8,735,699</u>	<u>444,131</u>	<u>874,001,131</u>	<u>100.00</u>

#### Global Equity Class

Exposure currency 30 September 2022	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
CHF	18,633,264	—	—	18,633,264	2.44
DKK	15,488,899	—	—	15,488,899	2.03
EUR	46,219,028	—	—	46,219,028	6.06
GBP	18,335,995	1	—	18,335,996	2.40
HKD	20,886,054	—	—	20,886,054	2.74
JPY	21,439,675	—	37,900	21,477,575	2.81
USD	607,526,854	13,145,524	1,318,551	621,990,929	81.52
	<u>748,529,769</u>	<u>13,145,525</u>	<u>1,356,451</u>	<u>763,031,745</u>	<u>100.00</u>

#### Global Impact USD Class

Exposure currency 30 September 2023	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
CHF	1,674,068	—	—	1,674,068	2.96
DKK	3,763,777	—	—	3,763,777	6.66
EUR	4,558,564	—	36,905	4,595,469	8.14
GBP	1,522,484	—	—	1,522,484	2.70
JPY	1,673,134	—	3,828	1,676,962	2.97
USD	42,170,847	1,012,874	67,745	43,251,466	76.57
	<u>55,362,874</u>	<u>1,012,874</u>	<u>108,478</u>	<u>56,484,226</u>	<u>100.00</u>

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Global Impact USD Class

Exposure currency 30 September 2022	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
DKK	2,377,324	—	—	2,377,324	4.18
EUR	4,839,550	—	14,738	4,854,288	8.53
GBP	1,376,408	—	—	1,376,408	2.42
JPY	1,488,333	—	2,631	1,490,964	2.62
USD	44,869,225	1,824,138	86,925	46,780,288	82.25
	<u>54,950,840</u>	<u>1,824,138</u>	<u>104,294</u>	<u>56,879,272</u>	<u>100.00</u>

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).

Global Equity Class	Change in net assets		Change in net assets	
	30 September 2023	USD	30 September 2022	USD
CHF	+/-5%	2,616,429	931,663	
DKK	+/-5%	—	774,445	
EUR	+/-5%	3,043,566	2,310,951	
GBP	+/-5%	1,014,099	916,800	
HKD	+/-5%	1,202,123	1,044,303	
JPY	+/-5%	1,412,476	1,073,879	
Global Impact USD Class	Change in net assets		Change in net assets	
	30 September 2023	USD	30 September 2022	USD
CHF	+/-5%	83,703	—	
DKK	+/-5%	188,189	118,866	
EUR	+/-5%	229,773	242,714	
GBP	+/-5%	76,124	68,820	
JPY	+/-5%	83,848	74,548	

#### 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.

# Melville Douglas Select Fund Limited

## **Notes to the Financial Statements (continued)**

### **7. Financial risk management (continued)**

#### **7.2. Liquidity risk (continued)**

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.

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 depositary 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 2023, the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2022: AA-) with Standard & Poor's, Aa2 (2022: Aa2) with Moody's and AA (2022: 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 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.

# Melville Douglas Select Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

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

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.

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 2023 and 30 September 2022 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 2023 or 30 September 2022.

### 8. Exchange rates

The following exchange rates at 30 September 2023 and 30 September 2022 were used to translate foreign currency assets and liabilities:

#### Global Equity Class and Global Impact USD Class

	30 September 2023	30 September 2022
USD/CHF	0.91479	0.98428
USD/DKK	7.04322	7.58990
USD/EUR	0.94449	1.02078
USD/GBP	0.81930	0.89582
USD/HKD	7.83188	7.84991
USD/JPY	149.22502	144.74501

# Melville Douglas Select Fund Limited

## **Notes to the Financial Statements (continued)**

### **9. Significant events during the year**

In February 2023 an updated prospectus of the Fund was issued.

Effective 24 March 2023, Global Impact USD Class Fund launched Global Impact USD Class B and Global Impact USD Class C shares.

Graham Baillie resigned as a director on 10 August 2023 and Michael Laws was appointed as a director on 11 August 2023.

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 2023 or as at 30 September 2022.

### **12. Approval of financial statements**

The financial statements were approved by the Board of Directors on 15 January 2024.

# Melville Douglas Select Fund Limited

## Portfolio Statement

### Global Equity Class

As at 30 September 2023

	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 98.95% (30 September 2022: 98.10%)</b>				
<b>Common Stock 98.95% (30 September 2022: 98.10%)</b>				
<b>Cayman Islands</b>				
Alibaba Group Holding Ltd ADR	129,825	25,494,874	11,261,670	1.29
Tencent Holdings Ltd	614,749	25,521,763	24,042,457	2.75
			35,304,127	4.04
<b>Denmark</b>				
<b>France</b>				
LVMH Moet Hennessy Louis Vuitton SE	36,375	27,586,928	27,594,390	3.16
<b>Germany</b>				
Brenntag SE	427,500	27,395,034	33,276,928	3.81
<b>India</b>				
HDFC Bank Ltd ADR	564,476	35,330,724	33,315,373	3.81
<b>Ireland</b>				
ICON Plc	164,064	32,671,636	40,408,143	4.62
Linde Plc	101,580	20,153,003	37,843,629	4.33
			78,251,772	8.95
<b>Japan</b>				
Keyence Corp	75,780	27,340,958	28,194,371	3.22
<b>Jersey</b>				
Experian Plc	617,391	14,216,666	20,281,975	2.32
<b>Switzerland</b>				
Nestle SA	234,000	27,600,646	26,538,805	3.04
Partners Group Holding AG	22,800	16,335,877	25,789,783	2.95
			52,328,588	5.99
<b>United States</b>				
Alphabet Inc	22,080	2,568,393	2,888,506	0.33
Alphabet Inc - Class A	248,793	22,434,993	32,547,100	3.72
Amazon.com Inc	318,358	32,235,335	40,468,077	4.63
Amphenol Corp - Class A	458,124	27,336,625	38,486,997	4.40
Boston Scientific Corp	786,500	29,789,937	41,535,065	4.76
Elevance Health Inc	40,661	12,885,995	17,711,118	2.03
Estee Lauder Cos Inc/The - Class A	119,506	23,996,775	17,281,763	1.98
Johnson & Johnson	210,330	28,799,476	32,768,362	3.75
JPMorgan Chase & Co	225,539	27,977,531	32,715,560	3.74
Mastercard Inc	94,091	22,310,078	37,267,093	4.26

# Melville Douglas Select Fund Limited

## Portfolio Statement (continued)

Meta Platforms Inc - Class A	141,067	34,495,791	42,345,492	4.84
Microsoft Corp	188,940	19,400,326	59,654,971	6.83
NIKE Inc	195,000	17,910,633	18,651,750	2.14
PepsiCo Inc	122,650	14,207,822	20,782,429	2.38
Starbucks Corp	320,103	27,617,460	29,217,402	3.34
Thermo Fisher Scientific Inc	37,189	21,234,061	18,832,324	2.16
UnitedHealth Group Inc	74,943	18,015,878	37,790,757	4.32
Visa Inc - Class A	153,561	22,569,322	35,329,011	4.04
			556,273,777	63.65
<b>Total Common Stock</b>			<b>864,821,301</b>	<b>98.95</b>
<b>Total Investments</b>		<b>685,434,540</b>	<b>864,821,301</b>	<b>98.95</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>864,821,301</b>	<b>98.95</b>
Net current assets			<u>9,179,830</u>	<u>1.05</u>
<b>Total net assets</b>			<b><u>874,001,131</u></b>	<b><u>100.00</u></b>

# Melville Douglas Select Fund Limited

## Portfolio Statement (continued)

### Global Impact USD Class

As at 30 September 2023

	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 98.01% (30 September 2022: 96.61%)</b>				
<b>Common Stock 93.81% (30 September 2022: 85.30%)</b>				
<b>Canada</b>				
Shopify Inc	9,100	339,487	496,723	0.88
			496,723	0.88
<b>Denmark</b>				
Novozymes A/S	52,400	2,715,171	2,122,198	3.76
Orsted AS '144A'	30,000	3,330,842	1,641,579	2.90
			3,763,777	6.66
<b>Finland</b>				
Neste Oyj	65,520	3,120,093	2,232,346	3.95
<b>India</b>				
HDFC Bank Ltd ADR	37,579	2,375,162	2,217,913	3.93
			2,217,913	3.93
<b>Ireland</b>				
Linde Plc	6,370	1,988,543	2,373,144	4.20
<b>Japan</b>				
Keyence Corp	4,497	1,987,967	1,673,134	2.96
<b>Jersey</b>				
Experian Plc	46,345	1,601,845	1,522,484	2.70
<b>Spain</b>				
Iberdrola SA	207,322	2,113,171	2,326,218	4.12
<b>Switzerland</b>				
Barry Callebaut AG	1,050	2,181,779	1,674,068	2.96
<b>United States</b>				
Alphabet Inc	17,860	2,337,367	2,336,445	4.14
Alphabet Inc - Class A	3,240	331,146	423,857	0.75
Amazon.com Inc	22,900	2,877,159	2,910,933	5.15
ANSYS Inc	6,365	1,969,536	1,894,575	3.35
Boston Scientific Corp	52,103	2,201,541	2,751,559	4.87
Ecolab Inc	13,700	2,468,309	2,321,122	4.11
Elevance Health Inc	3,070	1,412,723	1,337,231	2.37
Enphase Energy Inc	11,895	2,199,933	1,428,946	2.53
IQVIA Holdings Inc	11,680	2,623,170	2,297,864	4.07
Mastercard Inc	7,000	2,552,724	2,772,525	4.91
Microsoft Corp	12,100	3,357,680	3,820,393	6.76

# Melville Douglas Select Fund Limited

## Portfolio Statement (continued)

### Global Impact USD Class (continued)

As at 30 September 2023 (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 98.01% (30 September 2022: 96.61%) (continued)</b>				
<b>Common Stock 93.81% (30 September 2022: 85.30%) (continued)</b>				
<b>United States (continued)</b>				
PayPal Holdings Inc	17,640	2,015,101	1,031,323	1.83
Planet Fitness Inc	23,067	1,877,329	1,134,550	2.01
Plug Power Inc	95,944	2,260,498	729,655	1.29
Thermo Fisher Scientific Inc	4,225	2,351,864	2,139,519	3.79
UnitedHealth Group Inc	2,980	1,441,479	1,502,695	2.66
Visa Inc	9,822	2,140,053	2,259,698	4.00
Visa Inc - Class A	1,648	372,575	379,147	0.67
Waste Management Inc	8,100	1,311,208	1,235,210	2.19
			34,707,247	61.45
<b>Total Common Stock</b>			<b>52,987,054</b>	<b>93.81</b>
<b>Investment Companies 4.20% (30 September 2022: 11.31%)</b>				
<b>United States</b>				
iShares Self-Driving EV and Tech ETF	18,800	772,908	700,582	1.24
iShares Trust iShares MSCI Glo	22,500	1,939,144	1,675,238	2.96
			2,375,820	4.20
<b>Total Investment Companies</b>			<b>2,375,820</b>	<b>4.20</b>
<b>Total Investments</b>		<b>62,567,507</b>	<b>55,362,874</b>	<b>98.01</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>55,362,874</b>	<b>98.01</b>
Net current assets			1,121,352	1.99
<b>Total net assets</b>			<b>56,484,226</b>	<b>100.00</b>

# 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
30 September 2022	252,215,998	18.68	(23.35)	13,499,935	26.24	18.68
30 September 2023	263,318,631	22.56	20.77	11,672,002	24.36	18.51
<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
30 September 2022	55,810,918	14.89	(23.72)	3,747,475	21.01	14.89
30 September 2023	59,647,995	17.89	20.15	3,333,371	19.34	14.76
<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
30 September 2022	30,612,930	15.76	(23.16)	1,942,679	22.10	15.76
30 September 2023	36,139,218	19.07	21.00	1,895,458	20.58	15.62
<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

# Melville Douglas Select Fund Limited

## Fund Statistics (Unaudited) (continued)

30 September 2021	495,254,191	20.95	21.10	23,637,342	22.43	17.05
30 September 2022	424,391,899	16.23	(22.53)	26,156,441	22.59	16.23
30 September 2023	514,895,287	19.79	21.93	26,020,041	21.33	16.08

Global Impact USD Class –	Net asset value	Net asset value per share	% change in year**	Number of shares in issue	Highest Price*	Lowest Price*
<b>Class A Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (13 May 2022)	126,660	10.33	-	12,262	-	-
30 September 2022	528,378	9.64	-	54,833	11.79	9.59
30 September 2023	655,511	10.06	4.36	65,148	11.59	9.43
<b>Class B Shares***</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (24 March 2023)	135,187	10.00	-	13,519	-	-
30 September 2023	137,132	9.48	(5.20)	14,460	10.94	9.43
<b>Class C Shares***</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (24 March 2023)	135,187	10.00	-	13,519	-	-
30 September 2023	128,605	9.51	(4.90)	13,519	10.96	9.46
<b>Class X Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
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
30 September 2022	56,350,895	8.25	(19.83)	6,831,304	11.34	8.18
30 September 2023	55,562,978	8.70	5.45	6,386,757	10.00	8.07

\*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.

\*\*\*Effective 24 March 2023, Global Impact USD Class Fund launched Global Impact USD Class B and Global Impact USD Class C shares.

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.

	30 September 2023 USD	30 September 2022 USD
Global Equity Class – Class A Shares (including performance fees)	1.23%	1.25%
Global Equity Class – Class A Shares (excluding performance fees)	1.23%	1.22%
Global Equity Class – Class B Shares	1.73%	1.73%
Global Equity Class – Class C Shares	1.03%	1.03%
Global Equity Class – Class X Shares	0.23%	0.23%
Global Impact USD Class – Class A Shares	1.26%	1.31%
Global Impact USD Class – Class B Shares*	1.76%	-
Global Impact USD Class – Class C Shares*	1.16%	-
Global Impact USD Class – Class X Shares	0.26%	0.32%

\*Effective 24 March 2023, Global Impact USD Class Fund launched Global Impact USD Class B and Global Impact USD Class C shares.

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

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

Global Equity Class	30 September 2023 USD	30 September 2022 USD
Gross purchases in year including transaction costs	103,172,908	113,429,336
Net purchases total	<u>103,172,908</u>	<u>113,429,336</u>
Gross sales in year including transaction costs	145,407,577	57,247,776
Net sales total	<u>145,407,577</u>	<u>57,247,776</u>
Global Impact USD Class	30 September 2023 USD	30 September 2022 USD
Gross purchases in year including transaction costs	10,754,879	60,906,152
Net purchases total	<u>10,754,879</u>	<u>60,906,152</u>
Gross sales in year including transaction costs	13,419,408	3,155,498
Net sales total	<u>13,419,408</u>	<u>3,155,498</u>

# 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 2 February 2024 at Standard Bank House, 47-49 La Motte Street, St. Helier, Jersey, Channel Islands at 2.45 p.m. for the purpose of considering and, if thought fit, passing the following Resolutions:

Ordinary resolution

1. To receive and adopt the audited financial statements for the year ended 30 September 2023 together with the reports of the Directors and Independent Auditor thereon.
2. To re-elect Mr Michael Laws, Mr Michael Farrow, Mr Oliver Sonnbichler and Mr Robert Stewart as Directors of the Company.
3. To fix the remuneration of the Directors at up to £23,000 (Chair) and \$10,000 (other Directors) per year for the forthcoming year.
4. To re-appoint PricewaterhouseCoopers, Ireland as auditors of the Company and authorise the directors to agree the auditors' remuneration.



**By order of the board**  
**STANLIB Fund Managers Jersey Limited**  
**Secretary**  
**15 January 2024**

### 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:

*Resolutions*  
*\*Strike out whatever  
is not desired*

Ordinary Resolution

No 1 For/Against\*  
No 2 For/Against\*  
No 3 For/Against\*  
No 4 For/Against\*

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signature \_\_\_\_\_

- 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
- b. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit in relation to the resolutions referred to above
- c. To be valid, the proxy must be lodged with the secretary of the Company 48 hours prior to the time of the meeting
- d. A corporation should complete this form under its common seal or under the hand of a duly authorised officer or attorney