



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

Melville Douglas Balanced Fund Limited

Annual Report and Audited Financial Statements

For the year ended 30 September 2023

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Melville Douglas Balanced 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)

Registered Office

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

Manager and Secretary

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

Investment Manager

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

Custodian

Apex Financial Services (Corporate) Limited
IFC 5
St. Helier
Jersey JE1 1ST
Channel Islands

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

Administrator

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

Independent Auditors

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Legal Adviser

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

* Independent Non-Executive Director.

Melville Douglas Balanced 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 Balanced 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. 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 is only one Class Fund available – USD Balanced 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 only one Class Fund.

Objective and investment policy

The objective of the Class Fund is to provide long-term capital growth by investing in a well-diversified portfolios comprising quoted global equities, global fixed income securities including government and corporate bonds and money market instruments which will maximise investment returns in USD. For the avoidance of doubt the Class Fund may also invest in collective investment schemes and make other investments which are not prohibited by the investment restrictions set out in the Prospectus.

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 August 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.

No director has a service contract with the Company or holds any interest in the capital of the Company.

Melville Douglas Balanced 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 form 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 Balanced Fund Limited

Report of the Custodian

To the members of Melville Douglas Balanced 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.

Two handwritten signatures are shown side-by-side. The signature on the left appears to be 'K. Ward' and the signature on the right appears to be 'John O'Farrell'.

**Apex Financial Services (Corporate) Limited
Custodian**

15 January 2024

Melville Douglas Balanced Fund Limited

Investment Manager's Report

For the year ended 30 September 2023

USD Balanced Class Fund (the "Class Fund")

Class Fund Review

Over the 12 months, the fund returned +10.6% compared to a benchmark return of 13.4%. The underperformance was the result of being underweight global equity and overweight cash during a period of strong recovery from global equity markets. The global equity component in the fund performed in line with benchmark while the enhanced cash component lagged the return from cash against a backdrop of rapidly (and more than expected) rising interest rates and inflation at multi-decade highs.

We have seen a recovery in global equity markets over the last 12 months. The fund's holding in direct equity holdings performed strongly and outperformed the benchmark. This outperformance 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 position in four of them in size (Microsoft, Google, Amazon and Meta). 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. The holding in the Melville Douglas Global Impact fund (5% of equity) however detracted from returns as long duration growth stocks were severely impacted by a higher interest rate environment.

A combination of resilient economic growth, above target inflation and higher for longer interest rates are likely to keep US government bond yields elevated, at least over the short-term. However, bond markets are discounting mechanisms and many of these factors have already been priced in and should ensure that short-dated yields are at or close to their peak in the current cycle. The rise in yields over the reporting period has provided opportunities to slightly extend the duration in the cash enhancement component of the Fund, currently one-year, with trading activity predominantly in one and two-year US Treasuries. We will continue this theme in the months ahead taking advantage of any short-term weakness in the market.

Market Overview

Global Equity markets rebounded strongly from the lows reached in October last year. The picture did however change quite rapidly during the past two months for the period under review when global equity and fixed income markets declined sharply. There were several factors that unnerved investors over the summer months with the main headwind being confirmation from central banks that interest rates were set to remain higher for longer, as they continue to fight inflation. Bond prices fell pushing yields to their highest level of this cycle leading equity prices to naturally adjust lower as a result of a higher discount rate.

The adjustment of interest rates and interest rate expectations has been significant with the recent credit downgrade of US sovereign debt also combining with a sharp pick up in US Treasury issuance adding impetus to the upward trend in yields. During the midst of the COVID-19 pandemic, the 10-year US Treasury yield hit an all-time intra-day low of 0.3%. Since then, we have experienced an astonishing turnaround with 10 year yields now standing at 4.6%, and it's worth remembering that the annual rise of c. 2.3% over 2022 was already the biggest yearly increase since 1788.

Long duration growth assets such as technology shares, which had been the driver of returns earlier in the year, felt the brunt of the pain. Conversely, higher crude oil and energy prices resulted in the energy sector outperforming the rest of the market by 15%. While the US economy appears resilient, softening economic data elsewhere, particularly in Europe and China, has led to growing concerns about the near-term global growth outlook and negative revisions to corporate earnings.

Melville Douglas Balanced Fund Limited

Investment Manager's Report (continued)

USD Balanced Class Fund (the "Class Fund") (continued)

Portfolio Positioning

From an asset allocation perspective, no changes were made during the past 12 months, and we remain underweight equity and overweight cash.

We are cautiously positioned with an underweight allocation to global equity at a time when cash and fixed income assets are providing more attractive forward looking risk adjusted returns, while realising that interest rates are close to reaching their peaks in the current business cycle.

Conclusion

The current economic cycle would appear to be quite mature in nature and unlikely to reaccelerate until monetary authorities decide to ease interest rates again, an event that has been pushed back until next year. The increase in energy prices is concerning and poses an additional headwind to the direction of both inflation and companies profit margins.

Equity valuations have adjusted somewhat to higher real yields and are no longer that extreme but remain far from cheap when compared to the income yields on offer in cash and fixed income (15 year high) when adjusted for risk.

Independent auditors' report to the members of Melville Douglas Balanced Fund Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the financial position of the company as at 30 September 2023 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

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

- the Statement of Financial Position as at 30 September 2023;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares for the year then ended;
- the Portfolio Statement as at 30 September 2023; and
- the notes to the financial statements, 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 ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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

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

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

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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8fa98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies (Jersey) Law 1991 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

Melville Douglas Balanced Fund Limited

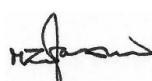
Statement of Financial Position

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

	Notes	USD Balanced Class 30 September 2023	USD Balanced Class 30 September 2022
Assets			
Financial assets at fair value through profit or loss	2(b), 7.4	10,352,056	9,663,820
Cash and cash equivalents	2(c)	130,990	639,893
Income receivable	2(d)	30,041	25,057
Total assets		10,513,087	10,328,770
Liabilities			
Payable for shares redeemed	2(f)	12,000	—
Management fees payable	2(g)	8,026	8,351
Custodian fees payable	2(g)	397	411
Sub-Custodian fees payable	2(g)	218	472
Director fees payable	2(g)	9,314	9,374
Audit fees payable	2(g)	6,782	6,004
Other payables		1,333	1,371
Total liabilities		38,070	25,983
Net assets attributable to holders of redeemable shares		10,475,017	10,302,787
Net asset value per share			
Class C Shares		206.81	186.99

The Class Fund amounts disclosed above represent the total amounts for the Company.

The financial statements were approved by the Board on 15 January 2024 and signed on its behalf by:



Director

The notes on pages 13 to 23 form an integral part of these financial statements.

Melville Douglas Balanced 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	USD Balanced Class 30 September 2023	USD Balanced Class 30 September 2022
Income			
Dividend income	2(d)	64,187	66,426
Interest income	2(d)	187,261	48,238
Deposit interest	2(d)	2,639	533
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 3	992,069	(1,644,024)
Total net gain/(loss)		1,246,156	(1,528,827)
Expenses			
Management fees	2(g)	100,891	112,384
Custodian fees	2(g)	4,987	5,001
Sub-Custodian fees	2(g)	2,778	4,012
Directors' fees	2(g)	36,808	37,254
Audit fees	2(g)	6,782	6,004
Sundry expenses		5,575	5,915
Total operating expenses		157,821	170,570
Net income/(expense)		1,088,335	(1,699,397)
Taxation	2(i), 4	(14,701)	(16,360)
Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations		1,073,634	(1,715,757)

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 Class Fund amounts disclosed above represent the total amounts for the Company.

The notes on pages 13 to 23 form an integral part of these financial statements.

Melville Douglas Balanced 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	USD Balanced Class 30 September 2023	USD Balanced Class 30 September 2022
Net assets attributable to holders of redeemable shares at the beginning of the year		10,302,787	13,190,898
Proceeds from the issue of shares	5	10,427	10,558
Payments on the redemption of shares	5	(911,831)	(1,182,912)
Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities		1,073,634	(1,715,757)
Net assets attributable to holders of redeemable shares at the end of the year		10,475,017	10,302,787

The Class Fund amounts disclosed above represent the total amounts for the Company.

The notes on pages 13 to 23 form an integral part of these financial statements.

Melville Douglas Balanced 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 11 and 12. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on page 11 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, bonds and 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 Balanced 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 Fund instant access to its 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 Statement 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 Fund 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 Fund at the rates of exchange ruling at the Statement of Financial Position date. The reporting currency of the USD Balanced Class is US Dollars.

Differences arising on translation are included in the Statement 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 Balanced Fund Limited

Notes to the Financial Statements (continued)

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

	USD Balanced Class 30 September 2023 USD	USD Balanced Class 30 September 2022 USD
Non-derivative securities:		
Net realised gain on investments	312,746	431,345
Net movement in unrealised investment schemes	679,323	(2,075,369)
Net gain/(loss) on financial assets at fair value through profit or loss	<u>992,069</u>	<u>(1,644,024)</u>

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.

USD Balanced Class	30 September 2023 USD	30 September 2022 USD
Overseas tax - withholding tax on dividend income	14,701	16,360

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.

Melville Douglas Balanced Fund Limited

Notes to the Financial Statements (continued)

5. Share capital (continued)

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

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

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
USD Balanced Class	55,097	50	(4,495)	50,652

The following table shows 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
USD Balanced Class	60,427	50	(5,380)	55,097

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 is calculated as 0.95% of the net asset value of the USD Balanced Class Fund for Class C Shares.

Melville Douglas Balanced Fund Limited

Notes to the Financial Statements (continued)

6. Related Party Transactions and Other Expenses (continued)

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:

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 USD36,808 (30 September 2022: USD37,254) with USD9,314 (30 September 2022: USD9,374) outstanding at the year end.

All transactions with the above related parties are at arm's length.

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 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 holds a number of financial instruments principally comprising of equity shares, debt and fixed income securities and collective investment securities. In addition, the Company holds cash, liquid assets and various items such as debtors and creditors that arise directly from its operations.

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

7.1. Market risk

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

Market price risk

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

Market price risk is mainly reduced through diversification. The Class Funds' investments are in collective investment funds which achieve the diversification. These are usually the relevant matching class funds of other Melville Douglas Funds. Investments restrictions are in place to ensure that the impact of market price risk is minimised. Full details regarding the investment restrictions can be obtained from the prospectus.

Melville Douglas Balanced Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

Market price risk (continued)

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	30 September 2022
	USD	USD
USD Balanced Class	517,603	483,191

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.

In accordance with the Class Funds' policy, the Investment Manager and Board of Directors monitor the Class Funds' overall interest sensitivity on a regular basis.

The breakdown of the Class Funds' assets as at 30 September 2023 is detailed in the Portfolio Statement.

USD Balanced Class

30 September 2023

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	4,975,258	396,960	5,102,799	10,475,017
	<u>4,975,258</u>	<u>396,960</u>	<u>5,102,799</u>	<u>10,475,017</u>

USD Balanced Class

30 September 2022

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	4,204,327	392,901	5,705,559	10,302,787
	<u>4,204,327</u>	<u>392,901</u>	<u>5,705,559</u>	<u>10,302,787</u>

Interest rate sensitivity

An increase of 100 basis points in interest rates as at the reporting date would have decreased the net assets attributable to holders of redeemable participating shares for each Class Fund by approximately:

Melville Douglas Balanced Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

Interest rate risk (continued)

		30 September 2023	30 September 2022
Class Fund			
USD Balanced Class	USD	53,722	45,972

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 Fund, subject to various maximum exposure limits.

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

USD Balanced Class

Exposure currency 30 September 2023	Investments USD	Cash USD	Other net liabilities USD	Total net assets USD	% of net assets
CHF	275,237	—	—	275,237	2.63
EUR	317,643	27	—	317,670	3.03
GBP	105,386	—	—	105,386	1.00
HKD	125,463	—	—	125,463	1.20
JPY	158,868	—	287	159,155	1.52
USD	9,369,459	130,963	(8,316)	9,492,106	90.62
	10,352,056	130,990	(8,029)	10,475,017	100.00

USD Balanced Class

Exposure currency 30 September 2022	Investments USD	Cash USD	Other net liabilities USD	Total net assets USD	% of net assets
CHF	113,598	—	—	113,598	1.10
DKK	83,735	—	—	83,735	0.81
EUR	282,753	25	—	282,778	2.75
GBP	99,195	—	—	99,195	0.96
HKD	110,011	—	—	110,011	1.07
JPY	131,392	—	232	131,624	1.28
USD	8,843,136	639,868	(1,158)	9,481,846	92.03
	9,663,820	639,893	(926)	10,302,787	100.00

Currency risk is not managed 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.

Melville Douglas Balanced Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

Currency risk (continued)

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).

USD Balanced Class	Change in net assets		Change in net assets	
	30 September 2023	USD	30 September 2022	USD
CHF	+/-5%	13,762	5,680	
DKK	+/-5%	—	4,187	
EUR	+/-5%	15,884	14,139	
GBP	+/-5%	5,269	4,960	
HKD	+/-5%	6,273	5,501	
JPY	+/-5%	7,958	6,581	

7.2. Liquidity risk

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

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

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

7.3. Credit risk

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

The risk arising from 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.

Melville Douglas Balanced Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.3. Credit risk (continued)

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.

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).

Melville Douglas Balanced Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.4. Fair value hierarchy (continued)

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 tables below analyse within the fair value hierarchy the Company's financial assets measured at fair value at 30 September 2023 and 30 September 2022 in accordance with FRS 102.

30 September 2023

USD Balanced Class	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Investment Companies	422,288	—	—	422,288
Common Stock	4,557,550	—	—	4,557,550
Corporate Bonds	—	3,003,585	—	3,003,585
Government Bonds	2,368,633	—	—	2,368,633
Total Assets	7,348,471	3,003,585	—	10,352,056

30 September 2022

USD Balanced Class	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Investment Companies	512,045	—	—	512,045
Common Stock	4,554,547	—	—	4,554,547
Corporate Bonds	—	3,120,948	—	3,120,948
Government Bonds	1,182,032	294,248	—	1,476,280
Total Assets	6,248,624	3,415,196	—	9,663,820

There were no transfers between the levels during the reporting periods.

8. Exchange rates

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

	30 September 2023	30 September 2022
USD/CHF	0.91479	0.98428
USD/DKK	n/a	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

9. Significant events during the year

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

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

Melville Douglas Balanced Fund Limited

Notes to the Financial Statements (continued)

9. Significant events during the year (continued)

There were no other significant events during the year that require disclosure in the 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 Balanced Fund Limited

Portfolio Statement

USD Balanced Class

As at 30 September 2023

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.83% (30 September 2022: 93.80%)				
Common Stock 43.51% (30 September 2022: 44.21%)				
Cayman Islands				
Alibaba Group Holding Ltd ADR	678	159,310	58,813	0.56
Tencent Holdings Ltd	3,208	177,106	125,463	1.20
			184,276	1.76
Denmark				
France				
LVMH Moet Hennessy Louis Vuitton SE	190	139,003	144,136	1.37
			144,136	1.37
Germany				
Brenntag SE	2,229	148,570	173,507	1.66
			173,507	1.66
India				
HDFC Bank Ltd ADR	3,060	192,712	180,601	1.72
			180,601	1.72
Ireland				
ICON Plc	855	171,636	210,582	2.01
Linde Plc	528	107,266	196,707	1.88
			407,289	3.89
Japan				
Keyence Corp	427	169,370	158,868	1.52
			158,868	1.52
Jersey				
Experian Plc	3,208	94,178	105,386	1.01
			105,386	1.01
Switzerland				
Nestle SA	1,240	146,109	140,633	1.34
Partners Group Holding AG	119	105,613	134,604	1.29
			275,237	2.63
United States				
Alphabet Inc	255	33,376	33,359	0.32
Alphabet Inc - Class A	1,277	93,912	167,057	1.60
Amazon.com Inc	1,664	217,719	211,519	2.02

Melville Douglas Balanced Fund Limited

Portfolio Statement (Continued)

USD Balanced Class (continued)

As at 30 September 2023 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.83% (30 September 2022: 93.80%) (continued)				
Common Stock 43.51% (30 September 2022: 44.21%) (continued)				
United States (continued)				
Amphenol Corp - Class A	2,380	151,500	199,944	1.91
Boston Scientific Corp	4,099	153,085	216,469	2.07
Elevance Health Inc	214	68,743	93,214	0.89
Estee Lauder Cos Inc/The - Class A	732	163,998	105,854	1.01
Johnson & Johnson	1,095	168,590	170,596	1.63
JPMorgan Chase & Co	1,173	138,292	170,150	1.62
Mastercard Inc	492	155,936	194,869	1.86
Meta Platforms Inc - Class A	735	187,818	220,633	2.10
Microsoft Corp	983	142,259	310,367	2.96
NIKE Inc	1,022	97,746	97,754	0.93
PepsiCo Inc	643	86,901	108,953	1.04
Starbucks Corp	1,617	159,652	147,592	1.41
Thermo Fisher Scientific Inc	195	104,021	98,747	0.94
UnitedHealth Group Inc	390	128,635	196,661	1.88
Visa Inc - Class A	802	149,562	184,512	1.76
			2,928,250	27.95
Total Common Stock			4,557,550	43.51
Investment Companies 4.03% (30 September 2022: 4.97%)				
Ireland				
iShares USD Short Duration Corp Bond UCITS ETF	1,420	148,800	136,519	1.30
			136,519	1.30
Jersey				
Melville Douglas Select Fund Limited-Global Impact Class	28,017	281,820	243,740	2.33
			243,740	2.33
United States				
iShares iBoxx High Yield Corporate Bond ETF	570	48,418	42,029	0.40
			42,029	0.40

Melville Douglas Balanced Fund Limited

Portfolio Statement (Continued)

USD Balanced Class (continued)

As at 30 September 2023 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.83% (30 September 2022: 93.80%) (continued)				
Investment Companies 4.03% (30 September 2022: 4.97%) (continued)				
United States (continued)				
Total Investment Companies			422,288	4.03
Corporate Bonds 28.68% (30 September 2022: 30.29%)				
Cayman Islands				
Alibaba Group Holding Ltd 3.600% 28/11/2024	200,000	194,938	194,934	1.86
Tencent Holdings Ltd 'REGS' 3.800% 11/02/2025	200,000	195,695	194,855	1.86
			389,789	3.72
Germany				
Kreditanstalt fuer Wiederaufbau 2.625% 28/02/2024	250,000	251,867	247,293	2.36
Kreditanstalt fuer Wiederaufbau 0.250% 19/10/2023	150,000	149,645	149,649	1.43
Kreditanstalt fuer Wiederaufbau FRN 6.342% 12/02/2024	200,000	200,697	200,738	1.92
Kreditanstalt fuer Wiederaufbau 1.250% 31/01/2025	255,000	244,056	241,466	2.30
			839,146	8.01
International				
Asian Development Bank 'GMTN' 4.125% 27/09/2024	300,000	298,195	296,020	2.83
Asian Development Bank 'GMTN' 0.250% 06/10/2023	120,000	119,907	119,955	1.14
European Investment Bank 2.250% 24/06/2024	225,000	227,417	219,866	2.10
Inter-American Development Bank 0.625% 15/07/2025	320,000	296,053	295,630	2.82
Inter-American Development Bank 0.250% 15/11/2023	275,000	273,478	273,442	2.61
Inter-American Development Bank 3.250% 01/07/2024	100,000	98,436	98,334	0.94
			1,303,247	12.44

Melville Douglas Balanced Fund Limited

Portfolio Statement (Continued)

USD Balanced Class (continued)

As at 30 September 2023 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.83% (30 September 2022: 93.80%) (continued)				
Corporate Bonds 28.68% (30 September 2022: 30.29%) (continued)				
South Africa				
Standard Bank Group Ltd FRN 5.950% 31/05/2029	200,000	207,049	196,222	1.88
United States				
UnitedHealth Group Inc 2.375% 15/08/2024	130,000	127,450	126,292	1.21
Wells Fargo & Co 'MTN' 3.750% 24/01/2024	150,000	149,378	148,889	1.42
			275,181	2.63
Total Corporate Bonds			3,003,585	28.68
Government Bonds 22.61% (30 September 2022: 14.33%)				
United States				
United States Treasury Note/Bond 2.125% 31/07/2024	350,000	340,742	340,512	3.25
United States Treasury Note/Bond 2.875% 30/04/2025	420,000	407,853	405,018	3.87
United States Treasury Note/Bond 1.375% 31/01/2025	215,000	206,885	204,135	1.95
United States Treasury Note/Bond 1.125% 15/01/2025	540,000	515,785	511,867	4.89
United States Treasury Note/Bond 2.500% 31/05/2024	620,000	611,247	608,008	5.80

Melville Douglas Balanced Fund Limited

Portfolio Statement (Continued)

USD Balanced Class (continued)

As at 30 September 2023 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.83% (30 September 2022: 93.80%) (continued)				
Government Bonds 22.61% (30 September 2022: 14.33%) (continued)				
United States (continued)				
United States Treasury Note/Bond 3.125% 15/08/2025	310,000	299,967	299,093 2,368,633 2,368,633	2.85 22.61 22.61
Total Government Bonds				
Total Investments		9,908,396	10,352,056	98.83
Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market			10,352,056	98.83
 Total Investments			10,352,056	98.83
Net current assets			122,961	1.17
Total net assets			10,475,017	100.00

Melville Douglas Balanced Fund Limited

Fund Statistics (Unaudited)

USD Balanced Class - Class C	Net asset value USD	Net asset value per Share USD	% change in year**	Number of shares in issue	Highest Price* USD	Lowest Price* USD
30 September 2013	16,919,878	147.24	5.72	114,911	148.38	136.25
30 September 2014	16,772,290	154.50	4.93	108,556	157.97	144.97
30 September 2015	16,990,947	148.83	(3.67)	114,167	161.93	148.84
30 September 2016	13,392,780	153.82	3.35	87,068	156.26	143.81
30 September 2017	11,407,710	169.03	9.89	67,491	169.48	150.15
30 September 2018	10,806,521	181.64	7.46	59,495	183.55	169.30
30 September 2019	10,250,867	185.50	2.13	55,260	189.83	167.96
30 September 2020	12,619,857	198.57	7.05	63,554	203.29	161.17
30 September 2021	13,190,898	218.30	9.94	60,427	227.83	196.94
30 September 2022	10,302,787	186.99	(14.34)	55,097	228.45	186.99
30 September 2023	10,475,017	206.81	10.60	50,652	214.28	186.15

* 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.

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 Balanced 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 Fund 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.

USD Balanced Class

	30 September 2023	30 September 2022
Total Expense Ratio – Class C Shares	1.49%	1.44%

Investment Purchases, Investment Sales and Commissions (Unaudited)

USD Balanced Class	30 September 2023 USD	30 September 2022 USD
Gross purchases in year including transaction costs	5,664,800	6,770,854
Commissions	(250)	(1,400)
Net purchases total	<u>5,664,550</u>	<u>6,769,454</u>
Gross sales in year including transaction costs	6,039,244	8,244,027
Commissions	(50)	(100)
Net sales total	<u>6,039,194</u>	<u>8,243,927</u>

Melville Douglas Balanced Fund Limited

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN pursuant to the Articles of Association of Melville Douglas Balanced 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 2.15 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 Balanced Fund Limited
Standard Bank House
47-49 La Motte Street
St. Helier
Jersey
JE2 4SZ**

Melville Douglas Balanced Fund Limited (the "Company")

Form of Proxy

Please complete in I/We
block capitals

Complete only if being a holder(s) of.....Participating shares in the capital of the Company
Special proxy hereby appoint the Chairman of the Meeting or failing him:
desired. (See Note
a. below)

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting
of the Company to be held on 2 February 2024 at 2.15 p.m. and at any
adjournments thereof, in the following manner:

Resolutions Ordinary Resolution No 1 For/Against*
*Strike out whatever
is not desired 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