



Melville Douglas Balanced Fund Limited
Unaudited Interim Report and Financial Statements
For the period 1 October 2020 to 31 March 2021

Melville Douglas Balanced Fund Limited

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Melville Douglas Balanced Fund Limited

Administration

Directors

Graham Baillie (South African/British)
Michael Farrow* (British) (Chairman) (Jersey
Resident)
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
12 Castle Street
St. Helier
Jersey JE2 3RT
Channel Islands

* Independent Non-Executive Director.

Melville Douglas Balanced Fund Limited

Report of the Directors

The directors submit their unaudited interim report and financial statements for the period 1 October 2020 to 31 March 2021.

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 31 March 2021 there is only one Class Fund available – USD Balanced Class.

All shares not previously redeemed will be redeemed by the Company on the last subscription date in 2102 at their respective redemption price on such subscription date.

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 31 March 2021, 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 period are disclosed in the Statement of Comprehensive Income.

Directors

The directors of the Company during the period and subsequently are set out on page 3.

Graham Baillie is non-executive Chairman 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") 104 "The Interim Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 104").

The Companies (Jersey) Law, 1991 requires the directors to prepare the financial statements for each financial period, 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 period. 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.

Connected Persons

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

Secretary

The Secretary of the Company during the period ended 31 March 2021, and subsequently was STANLIB Fund Managers Jersey Limited.

By Order of the Board
STANLIB Fund Managers Jersey Limited

Company Secretary
11 August 2021

Melville Douglas Balanced Fund Limited

Statement of Financial Position

As at 31 March 2021

(Comparatives as at 30 September 2020)

| | Notes | USD Balanced Class 31 March 2021 | USD Balanced Class 30 September 2020 |
|--|-----------|--|--|
| Assets | | | |
| Financial assets at fair value through profit or loss | 2(b), 7.4 | 12,323,389 | 12,198,930 |
| Cash and cash equivalents | 2(c) | 132,814 | 408,751 |
| Receivable for shares sold | 2(f) | 16,813 | — |
| Income receivable | 2(d) | 26,460 | 38,694 |
| Receivable for investments sold | | 1,150,778 | — |
| Total assets | | 13,650,254 | 12,646,375 |
| Liabilities | | | |
| Payable for investments purchased | | 240,032 | — |
| Management fees payable | 2(g) | 12,150 | 10,807 |
| Custodian fees payable | 2(g) | 465 | 452 |
| Sub-Custodian fees payable | 2(g) | 363 | 307 |
| Director fees payable | 2(g) | 9,180 | 9,200 |
| Audit fees payable | 2(g) | 2,092 | 4,178 |
| Other payables | | 1,436 | 1,574 |
| Total liabilities | | 265,718 | 26,518 |
| Net assets attributable to holders of redeemable shares | | 13,384,536 | 12,619,857 |
| Net asset value per share | | 212.33 | 198.57 |

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

The financial statements were approved by the Board on 11 August 2021.

The notes on pages 9 to 18 form an integral part of these financial statements.

Melville Douglas Balanced Fund Limited

Statement of Comprehensive Income

For the period 1 October 2020 to 31 March 2021
 (Comparatives are for the period 1 October 2019 to 31 March 2020)

| | Notes | USD Balanced Class 31 March 2021 | USD Balanced Class 31 March 2020 |
|---|---------|--|--|
| Income | | | |
| Dividend income | 2(d) | 37,135 | 37,955 |
| Interest income | 2(d) | 14,948 | 42,484 |
| Deposit interest | 2(d) | 19 | 528 |
| Net gain/(loss) on financial assets at fair value through profit or loss | 2(h), 3 | 958,906 | (584,606) |
| Total net gain/(loss) | | 1,011,008 | (503,639) |
| Expenses | | | |
| Management fees | 2(g) | 66,974 | 48,676 |
| Custodian fees | 2(g) | 2,577 | 2,507 |
| Sub-Custodian fees | 2(g) | 1,836 | 1,269 |
| Directors' fees | 2(g) | 18,380 | 13,980 |
| Audit fees | 2(g) | 2,092 | 2,104 |
| Sundry expenses | | 3,166 | 2,300 |
| Total operating expenses | | 95,025 | 70,836 |
| Net income/(expense) before finance costs | | 915,983 | (574,475) |
| Finance Costs: | | | |
| Bank overdraft interest | | — | (8) |
| Total Finance Costs | | — | (8) |
| Taxation | 2(i), 4 | (7,774) | (7,805) |
| Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations | | 908,209 | (582,288) |

All of the above results are from continuing operations. There are no recognised gains or losses for the period 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 9 to 18 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 period 1 October 2020 to 31 March 2021

(Comparatives are for the period 1 October 2019 to 31 March 2020)

| | Notes | USD Balanced 31 March 2021 USD | USD Balanced Class 31 March 2020 USD |
|--|-------|---|--|
| Net assets attributable to holders of redeemable shares at the beginning of the period | | 12,619,857 | 10,250,867 |
| Proceeds from the issue of shares | 5 | 1,414,955 | 35,318 |
| Payments on the redemption of shares | 5 | (1,558,485) | (449,210) |
| Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities | | <u>908,209</u> | <u>(582,288)</u> |
| Net assets attributable to holders of redeemable shares at the end of the period | | <u>13,384,536</u> | <u>9,254,687</u> |

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

The notes on pages 9 to 18 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 periods 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 104 “The Interim Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 104”). 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 unaudited interim financial statements for the period ended 31 March 2021 have been prepared in accordance with FRS 104 as issued by the Financial Reporting Council (“FRC”).

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

The information required by FRS 102, to be included in a single statement for the reporting period displaying all items of income and expenses recognised during the period including those items recognised in determining profit or loss and items of other comprehensive income and a Reconciliation of Movements in Shareholders’ Funds is, in the opinion of the directors, contained in the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares on pages 6 and 7. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on pages 6 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)), also referenced in Section 10(g) of FRS 104, 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 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 period in which they arise.

On initial application of FRS 104, 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 accounted for on an accruals basis using the effective yield basis. 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 period 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 period 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 period. 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 31 March 2021 USD | USD Balanced Class 31 March 2020 USD |
|---|--|--|
| Non-derivative securities: | | |
| Net realised gain on investments | 438,818 | 80,231 |
| Net movement in unrealised investment schemes | 520,198 | (664,862) |
| | <u>959,016</u> | <u>(584,631)</u> |
| Derivative securities: | | |
| Net realised (loss)/gain on foreign currency contracts | (110) | 25 |
| | <u>(110)</u> | <u>25</u> |
| Net gain/(loss) on financial assets at fair value through profit or loss | <u>958,906</u> | <u>(584,606)</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.

| | 31 March 2021 USD | 31 March 2020 USD |
|---|-------------------------|-------------------------|
| USD Balanced Class | | |
| Overseas tax - withholding tax on dividend income | 7,774 | 7,805 |

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:

| | 31 March 2021 USD | 30 September 2020 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.

Movements of participating shares

The following table shows the movement in participating shares during the period ended 31 March 2021.

| | Number of shares at 30 September 2020 | Issued during the period | Redeemed during the period | Number of shares at 31 March 2021 |
|--------------------|--|--------------------------------|----------------------------------|--|
| USD Balanced Class | 63,554 | 6,869 | (7,385) | 63,038 |

The following table shows the movement in participating shares during the year ended 30 September 2020.

| | Number of shares at 30 September 2019 | Issued during the year | Redeemed during the year | Number of shares at 30 September 2020 |
|--------------------|--|------------------------------|--------------------------------|--|
| USD Balanced Class | 55,260 | 11,346 | (3,052) | 63,554 |

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.

Until 28 February 2019, the Manager was entitled to an annual administration fee at a rate of 0.15% of the net asset value of the Class Fund out of which the Administrator will be paid. The amounts accrued on each subscription day and were payable to the Manager by monthly payments in arrears.

Melville Douglas Balanced Fund Limited

Notes to the financial statements (continued)

6. Related Party Transactions and Other Expenses (continued)

The annual management fee payable is calculated as 0.95% of the net asset value of the Class C Shares.

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 GBP5,000 per annum from the Company as director fees. Graham Baillie and Oliver Sonnbichler are entitled to USD10,000 per director per annum from the Company. On 9 April 2020, Robert Stewart was appointed as a Director of the Company. Robert Stewart is entitled to receive USD10,000 per annum from the Company as director fees. Directors fees incurred during the period ended 31 March 2021 amounted to USD18,380 (31 March 2020: USD13,980) with USD9,180 (30 September 2020: USD9,200) outstanding at the period end.

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

The fees incurred during the period ended 31 March 2021 and 31 March 2020 are as disclosed in the Statement of Comprehensive Income with the amounts outstanding at the period end disclosed in the Statement of Financial Position.

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.

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)

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.

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 period end; all other variables remaining constant (5% is considered to be a reasonable possible change in price):

| | 31 March 2021 USD | 30 September 2020 USD |
|--------------------|----------------------|--------------------------|
| USD Balanced Class | 616,169 | 609,947 |

Interest rate risk

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

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

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 31 March 2021 and 30 September 2020 is detailed in the Portfolio Statement.

USD Balanced Class

31 March 2021

| | Fixed rate financial assets | Floating rate financial assets | Net assets not carrying interest | | Total |
|------------|--------------------------------|-----------------------------------|--|-------------------|-------|
| | | | USD | USD | |
| USD | <u>4,265,226</u> | <u>209,991</u> | <u>8,909,319</u> | <u>13,384,536</u> | |
| | <u>4,265,226</u> | <u>209,991</u> | <u>8,909,319</u> | <u>13,384,536</u> | |

USD Balanced Class

30 September 2020

| | Fixed rate financial assets | Floating rate financial assets | Net assets not carrying interest | | Total |
|------------|--------------------------------|-----------------------------------|--|-------------------|-------|
| | | | USD | USD | |
| USD | <u>5,663,648</u> | <u>—</u> | <u>6,956,209</u> | <u>12,619,857</u> | |
| | <u>5,663,648</u> | <u>—</u> | <u>6,956,209</u> | <u>12,619,857</u> | |

Melville Douglas Balanced Fund Limited

Notes to the financial statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

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 31 March 2021 and 30 September 2020.

USD Balanced Class

| Exposure currency 31 March 2021 | Investments USD | Cash USD | Other net assets USD | Total net assets USD | % of net assets |
|------------------------------------|--------------------|----------------|----------------------------|-------------------------|--------------------|
| CHF | 273,111 | — | — | 273,111 | 2.04 |
| DKK | 191,154 | — | — | 191,154 | 1.43 |
| EUR | 294,975 | 30 | — | 295,005 | 2.20 |
| GBP | 656,853 | — | 1,841 | 658,694 | 4.92 |
| HKD | 282,695 | — | — | 282,695 | 2.11 |
| JPY | 195,738 | — | 28,235 | 223,973 | 1.68 |
| USD | 10,428,863 | 132,784 | 898,257 | 11,459,904 | 85.62 |
| | <u>12,323,389</u> | <u>132,814</u> | <u>928,333</u> | <u>13,384,536</u> | <u>100.00</u> |

USD Balanced Class

| Exposure currency 30 September 2020 | Investments USD | Cash USD | Other net assets USD | Total net assets USD | % of net assets |
|--|--------------------|----------------|----------------------------|-------------------------|--------------------|
| CHF | 202,997 | — | — | 202,997 | 1.61 |
| DKK | 183,272 | — | — | 183,272 | 1.45 |
| EUR | 234,938 | 30 | — | 234,968 | 1.86 |
| GBP | 624,108 | — | — | 624,108 | 4.95 |
| HKD | 290,278 | — | — | 290,278 | 2.30 |
| JPY | 244,823 | — | 408 | 245,231 | 1.94 |
| USD | 10,418,514 | 408,721 | 11,768 | 10,839,003 | 85.89 |
| | <u>12,198,930</u> | <u>408,751</u> | <u>12,176</u> | <u>12,619,857</u> | <u>100.00</u> |

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 |
|---------------------------|-------|-----------------------------|-----------------------------|
| | | 31 March 2021 | 30 September 2020 |
| | | USD | USD |
| CHF | +/-5% | 13,656 | 10,150 |
| DKK | +/-5% | 9,558 | 9,164 |
| EUR | +/-5% | 14,750 | 11,748 |
| GBP | +/-5% | 32,935 | 31,205 |
| HKD | +/-5% | 14,135 | 14,514 |
| JPY | +/-5% | 11,199 | 12,262 |

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.

The minimum redemption amount which shall be accepted in respect of the Class Fund is USD 750. The Manager will not accept a redemption request if as a result the value of the shareholding of participating shares in the Class Fund would fall below the initial subscription amount of USD 2,500. Full details regarding redemption and investment restrictions can be obtained from the prospectus.

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.

Credit risks arising from cash at bank are mitigated by the investment restrictions as detailed in the prospectus.

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

For the period ended 31 March 2021 the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2020 : AA-) with Standard & Poor's, Aa2 (2020 : Aa2) with Moody's and AA (2020 : AA) with Fitch.

Melville Douglas Balanced Fund Limited

Notes to the financial statements (continued)

7. Financial risk management (continued)

7.4. Fair value hierarchy

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

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted mid-market prices on the period 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).

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 overleaf analyse within the fair value hierarchy the Company's financial assets measured at fair value at 31 March 2021 and 30 September 2020 in accordance with FRS 102.

Melville Douglas Balanced Fund Limited

Notes to the financial statements (continued)

7. Financial risk management (continued)

7.4. Fair value hierarchy (continued)

31 March 2021

| | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
|---------------------------|------------------|------------------|----------------|-------------------|
| USD Balanced Class | | | | |
| Investment Companies | 816,365 | — | — | 816,365 |
| Common Stock | 7,031,807 | — | — | 7,031,807 |
| Corporate Bonds | — | 3,752,559 | — | 3,752,559 |
| Government Bonds | — | 722,658 | — | 722,658 |
| Total Assets | 7,848,172 | 4,475,217 | — | 12,323,389 |

30 September 2020

| | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
|---------------------------|------------------|------------------|----------------|-------------------|
| USD Balanced Class | | | | |
| Investment Companies | 254,158 | — | — | 254,158 |
| Common Stock | 6,281,124 | — | — | 6,281,124 |
| Corporate Bonds | — | 4,018,308 | — | 4,018,308 |
| Government Bonds | 1,190,924 | 454,416 | — | 1,645,340 |
| Total Assets | 7,726,206 | 4,472,724 | — | 12,198,930 |

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

8. Exchange rates

The following exchange rates at 31 March 2021 and 30 September 2020 were used to translate foreign currency assets and liabilities:

| | 31 March 2021 | 30 September 2020 |
|---------|---------------|-------------------|
| USD/CHF | 0.94115 | 0.91870 |
| USD/DKK | 6.32797 | 6.34773 |
| USD/EUR | 0.85084 | 0.85276 |
| USD/GBP | 0.72480 | 0.77351 |
| USD/HKD | 7.77444 | 7.75000 |
| USD/JPY | 110.50000 | 105.53001 |

9. Significant events during the period

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

There were no other significant events during the period 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. Approval of financial statements

The financial statements were approved by the Board of Directors on 11 August 2021.

Melville Douglas Balanced Fund Limited

Portfolio Statement

USD Balanced Class

As at 31 March 2021

| | 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 | | | | |
| Common Stock | | | | |
| Cayman Islands | | | | |
| Alibaba Group Holding Ltd ADR | 976 | 220,001 | 221,415 | 1.66 |
| Tencent Holdings Ltd | 3,600 | 191,011 | 282,696 | 2.11 |
| | | | 504,111 | 3.77 |
| Denmark | | | | |
| Orsted AS '144A' | 1,183 | 135,370 | 191,154 | 1.43 |
| Germany | | | | |
| Brenntag SE | 3,447 | 197,162 | 294,975 | 2.20 |
| India | | | | |
| HDFC Bank Ltd ADR | 3,733 | 198,384 | 289,998 | 2.17 |
| Ireland | | | | |
| ICON Plc | 783 | 130,217 | 153,875 | 1.15 |
| Linde Plc | 948 | 172,193 | 265,739 | 1.99 |
| | | | 419,614 | 3.14 |
| Japan | | | | |
| Keyence Corp | 430 | 145,233 | 195,738 | 1.46 |
| Jersey | | | | |
| Experian Plc | 5,069 | 139,882 | 174,668 | 1.30 |
| Switzerland | | | | |
| Partners Group Holding AG | 213 | 164,125 | 273,111 | 2.04 |
| United Kingdom | | | | |
| Prudential Plc | 15,411 | 264,022 | 327,603 | 2.45 |
| Unilever Plc | 2,762 | 159,320 | 154,582 | 1.15 |
| | | | 482,185 | 3.60 |
| United States | | | | |
| Alphabet Inc | 137 | 173,146 | 282,554 | 2.11 |
| Amazon.com Inc | 82 | 175,277 | 253,738 | 1.90 |
| Amphenol Corp - Class A | 4,356 | 253,299 | 287,648 | 2.15 |
| Anthem Inc | 801 | 224,904 | 287,627 | 2.15 |
| Boston Scientific Corp | 7,350 | 289,055 | 284,114 | 2.12 |
| Ecolab Inc | 910 | 174,750 | 194,908 | 1.46 |
| Estee Lauder Cos Inc/The - Class A | 732 | 156,547 | 212,990 | 1.59 |
| Facebook Inc - Class A | 910 | 248,603 | 268,091 | 2.00 |
| Johnson & Johnson | 1,329 | 190,637 | 218,401 | 1.63 |
| Mastercard Inc | 678 | 168,236 | 241,643 | 1.80 |
| Microsoft Corp | 1,610 | 204,059 | 379,630 | 2.84 |
| NIKE Inc | 1,641 | 145,329 | 218,294 | 1.63 |

Melville Douglas Balanced Fund Limited

Portfolio Statement (continued)

USD Balanced Class (continued)

As at 31 March 2021 (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 (continued) | | | | |
| Common Stock (continued) | | | | |
| United States (continued) | | | | |
| PepsiCo Inc | 1,264 | 161,378 | 178,805 | 1.34 |
| Starbucks Corp | 2,550 | 218,279 | 278,562 | 2.08 |
| UnitedHealth Group Inc | 702 | 182,485 | 261,534 | 1.95 |
| Verisk Analytics Inc - Class A | 565 | 89,432 | 99,836 | 0.75 |
| Visa Inc - Class A | 1,215 | 200,074 | 257,878 | 1.93 |
| | | | 4,206,253 | 31.43 |
| Total Common Stock | | | 7,031,807 | 52.54 |
| Investment Companies | | | | |
| Ireland | | | | |
| iShares USD Short Duration Corp Bond UCITS ETF | 1,900 | 199,059 | 197,305 | 1.47 |
| Jersey | | | | |
| Melville Douglas Select Fund Limited-Global Impact Class | 48,000 | 480,000 | 475,690 | 3.55 |
| United States | | | | |
| iShares iBoxx High Yield Corporate Bond ETF | 1,645 | 138,855 | 143,370 | 1.07 |
| Total Investment Companies | | | 816,365 | 6.09 |
| Corporate Bonds | | | | |
| Cayman Islands | | | | |
| Alibaba Group Holding Ltd 3.125% 28/11/2021 | 200,000 | 203,052 | 202,751 | 1.51 |
| Tencent Holdings Ltd 'REGS' 2.985% 19/01/2023 | 200,000 | 207,942 | 207,350 | 1.55 |
| | | | 410,101 | 3.06 |
| Germany | | | | |
| Kreditanstalt fuer Wiederaufbau 2.125% 07/03/2022 | 250,000 | 254,498 | 254,279 | 1.90 |
| International | | | | |
| Asian Development Bank 'GMTN' 0.625% 07/04/2022 | 240,000 | 241,160 | 241,155 | 1.80 |
| Asian Development Bank 'GMTN' 1.875% 18/02/2022 | 300,000 | 304,637 | 304,558 | 2.28 |
| European Investment Bank 'REGS' FRN 0.301% 10/06/2022 | 200,000 | 200,200 | 200,610 | 1.50 |
| Inter-American Development Bank FRN 0.214% 15/03/2022 | 240,000 | 240,164 | 240,006 | 1.79 |
| International Bank for Reconstruction & Development 1.625% 10/02/2022 | 270,000 | 273,345 | 273,383 | 2.04 |
| | | | 1,259,712 | 9.41 |
| South Africa | | | | |
| Standard Bank Group Ltd FRN 5.950% 31/05/2029 | 200,000 | 209,559 | 209,991 | 1.57 |

Melville Douglas Balanced Fund Limited

Portfolio Statement (continued)

USD Balanced Class (continued)

As at 31 March 2021 (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 (continued) | | | | |
| Corporate Bonds (continued) | | | | |
| United Kingdom | | | | |
| BAT International Finance Plc 'REGS' 3.250% 07/06/2022 | 275,000 | 280,770 | 282,037 | 2.11 |
| Vodafone Group Plc 2.500% 26/09/2022 | 274,000 | 282,471 | 282,094 | 2.11 |
| | | | 564,131 | 4.22 |
| United States | | | | |
| McDonald's Corp 'MTN' 2.625% 15/01/2022 | 160,000 | 162,894 | 162,890 | 1.22 |
| Nestle Holdings Inc 'EMTN' 1.375% 13/07/2021 | 115,000 | 115,339 | 115,391 | 0.86 |
| Nestle Holdings Inc 'EMTN' 2.375% 18/01/2022 | 100,000 | 101,599 | 101,646 | 0.76 |
| Starbucks Corp 1.300% 07/05/2022 | 150,000 | 151,729 | 151,543 | 1.13 |
| Starbucks Corp 2.700% 15/06/2022 | 75,000 | 76,843 | 76,824 | 0.57 |
| TWDC Enterprises 18 Corp 'EMTN' 2.125% 13/09/2022 | 200,000 | 204,988 | 204,576 | 1.53 |
| UnitedHealth Group Inc 3.150% 15/06/2021 | 90,000 | 90,536 | 90,524 | 0.68 |
| Wells Fargo & Co 2.100% 26/07/2021 | 150,000 | 150,888 | 150,951 | 1.13 |
| | | | 1,054,345 | 7.88 |
| Total Corporate Bonds | | | 3,752,559 | 28.04 |
| Government Bonds | | | | |
| International | | | | |
| European Investment Bank 2.250% 15/03/2022 | 165,000 | 168,305 | 168,291 | 1.26 |
| European Investment Bank 2.875% 15/12/2021 | 250,000 | 254,717 | 254,822 | 1.90 |
| Inter-American Development Bank 1.875% 23/07/2021 | 75,000 | 75,416 | 75,391 | 0.56 |
| | | | 498,504 | 3.72 |
| Netherlands | | | | |
| BNG Bank NV 'REGS' 1.500% 06/09/2022 | 220,000 | 224,179 | 224,154 | 1.68 |
| Total Government Bonds | | | 722,658 | 5.40 |

Melville Douglas Balanced Fund Limited

Portfolio Statement (continued)

USD Balanced Class (continued)

As at 31 March 2021 (continued)

| | Nominal Holding | Cost USD | Fair Value USD | % of Net Assets |
|---|-----------------|-------------------|-------------------|-----------------|
| Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market | | 10,665,555 | 12,323,389 | 92.07 |
| Net current assets | | 1,061,147 | | 7.93 |
| Total net assets | | 13,384,536 | | 100.00 |
| | | ===== | ===== | ===== |

Melville Douglas Balanced Fund Limited

Fund Statistics

| USD Balanced Class – Class C | Net asset value USD | value per share USD | % change in period | shares in issue | Highest Price* USD | Lowest Price* USD |
|---------------------------------|---------------------------|---------------------------|-----------------------|--------------------|--------------------------|-------------------------|
| 24 September 2004 | 8,241,828 | 104.40 | 9.06 | 78,944 | 113.23 | 96.46 |
| 30 September 2005 | 8,985,059 | 115.43 | 10.57 | 77,838 | 121.67 | 104.65 |
| 29 September 2006 | 7,031,187 | 126.83 | 9.88 | 55,437 | 137.78 | 111.97 |
| 28 September 2007 | 9,429,307 | 143.61 | 13.23 | 65,657 | 154.02 | 127.16 |
| 26 September 2008 | 11,261,493 | 123.08 | (14.30) | 91,494 | 155.32 | 122.06 |
| 30 September 2009 | 13,022,850 | 120.29 | (2.27) | 108,264 | 123.65 | 97.49 |
| 30 September 2010 | 16,527,109 | 126.73 | 5.35 | 130,408 | 128.98 | 118.55 |
| 30 September 2011 | 18,803,340 | 120.89 | (4.61) | 155,540 | 141.40 | 120.03 |
| 30 September 2012 | 17,239,049 | 139.27 | 15.20 | 123,782 | 139.39 | 121.49 |
| 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 |
| 31 March 2021 | 13,384,536 | 212.33 | 6.93 | 63,038 | 213.55 | 196.94 |

* 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.

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

Melville Douglas Balanced Fund Limited

Other Information

Total Expense Ratio

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

| | 31 March 2021 | 31 March 2020 |
|--------------------------------------|--------------------------|--------------------------|
| Total Expense Ratio – Class C Shares | 1.37% | 1.53% |

Investment Purchases, Investment Sales and Commissions

USD Balanced Class

| | 31 March 2021 | 31 March 2020 |
|---|--------------------------|--------------------------|
| | USD | USD |
| Gross purchases in period including transaction costs | 5,415,009 | 10,415,747 |
| Commissions | (1,100) | (1,107) |
| Net purchases total | <u>5,413,909</u> | <u>10,414,640</u> |
| | | |
| Gross sales in period including transaction costs | 6,203,362 | 10,737,005 |
| Commissions | (400) | (150) |
| Net sales total | <u>6,202,962</u> | <u>10,736,855</u> |