

Melville Douglas Select Fund Limited

Global Equity Class

Fund information update at 31 October 2024

What is the fund's objective?

The objective of the Class Fund is to provide long-term capital growth.

What does the fund invest in?

The Class Fund invests primarily in quoted global equities, which will maximise investment returns in USD.

What possible risks are associated with this fund?

The risk rating seen below is designed to give an indication of the level of risk, measured by volatility, associated with this specific portfolio. In order to arrive at the specific risk rating of the portfolio in question, Melville Douglas measures the volatility of the fund, in the form of standard deviation, over a three year rolling period, and compares the result to internal risk parameters. Please note that these risk ratings are designed as a guide only.

Risk rating				
Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive

What is the suggested investment period for this fund?

Minimum period					
1 Month	6 Months	1 Year	3 Years	5 Years	7 Years

Who should consider investing in this fund?

Due to the higher risk profile of equities relative to bonds and cash, the fund is only suitable for persons prepared to bear substantial losses and volatility on their invested capital. Investors should be prepared to hold the fund for a period in excess of five years. Typically, the fund would form part of a wider wealth management strategy.

Income

Distribution Income available for distribution attributable to the Class Fund shall be accumulated and not distributed to Shareholders.

General fund information

Manager(s) Justin Maloney and Derinia Mathura
Size (NAV) \$ 1.15 billion
Peer group EAA Fund Global Large-Cap Blend Equity
Benchmark MSCI ACWI NR USD

Section 65 Approved

This Class Fund is approved for sale in South Africa under Section 65 of the Collective Investment Schemes Control Act, 2002 (CISCA).

Class X

Launch 07 September 2016

ISIN number JE00BYD6Z93

SEDOL code BYYD6Z9

Bloomberg MDSGESX JY

Minimum investment requirements -

New business Open

Initial \$ 1 million

Subsequent \$ 1,000

What are the costs to invest in this fund?

Maximum charges	
	Class X
Initial fee (manager)	0.000%
Initial fee (adviser)	3.000%
Annual fee (manager)	0.200%
Annual fee (adviser)	0.000%
Performance fee	N/A

Annual fee (manager) - this is a service charge (% based) applicable to each class of a fund, that is levied on the value of your portfolio and includes the **Annual fee (adviser)** fee (where applicable). Annual fees are calculated and accrued daily and recovered monthly from the income awaiting distribution in the fund.

Cost ratios (annual) including VAT as at 30 September 2024

	Class X
Based on period from:	01/10/2021
Total Expense	0.23%
Transaction Costs	0.00%
Total Investment Charge	0.23%
1 Year Total Expense	0.23%

Total Expense (TER): This ratio shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated over the period shown and annualised to the most recently completed quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER should not be regarded as an indication of future TERs.

Transaction Costs (TC): This ratio shows the percentage of the value of the fund incurred as costs relating to the buying and selling of the fund's underlying assets. TC are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, investment decisions of the investment manager and the TER.

Total Investment Charges (TIC): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct the TIC from performance figures, the performance is already net of the TIC.

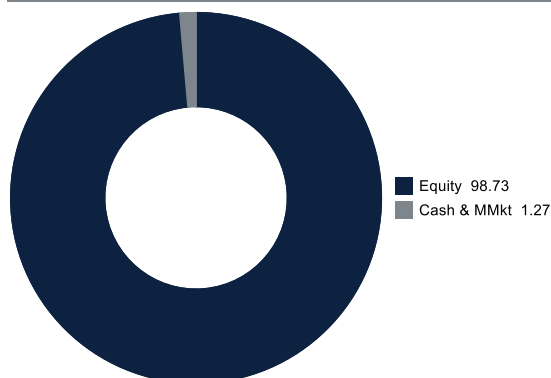
Melville Douglas Select Fund Limited

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Monthly update at 31 October 2024

Holdings

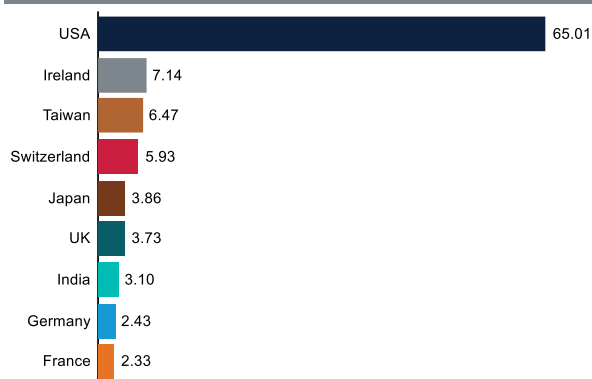
Asset class (%)



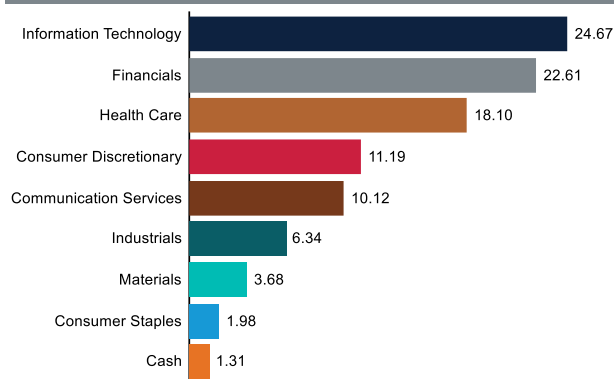
Top holdings (%)

Taiwan Semiconductor Manufacturing Co Ltd Sp ADR	6.47
Meta Platforms Inc	6.16
Microsoft Corp	6.00
Amazon.com Inc	5.62
UnitedHealth Group Inc	4.95
Mastercard Inc A	4.42
NVIDIA Corp	4.38
Partners Group Holding AG	4.01
S&P Global Inc	3.97
Keyence Corp NPV	3.86

Country (%)



Sector (%)



Performance and Income

Class X Launch: 07 September 2016

Benchmark: MSCI ACWI NR USD

Peer group: EAA Fund Global Large-Cap Blend Equity

Returns (%)	1yr	3yrs	5yrs	7yrs	Launch
Class X					
Class	26.63	3.71	10.55	10.31	11.72
Benchmark	32.79	5.51	11.08	9.56	10.56
Peer group	28.77	3.01	8.67	7.01	8.24

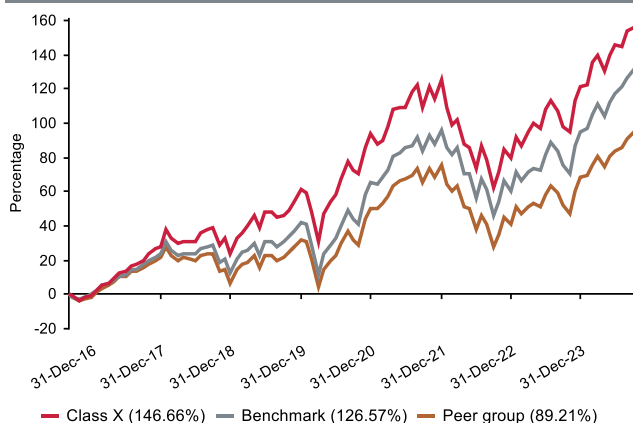
Returns (%) shown are cumulative for all periods shorter than or equal to 1 year and annualised for all periods greater than 1 year.

Statistics (%)	1yr	3yrs	5yrs	7yrs	Launch
Class X					
Positive Months	9	19	36	52	64
Max Gain	31.26	57.58	95.92	105.96	173.54
Max Drawdown	-3.55	-27.96	-27.96	-27.96	-34.07
Highest	29.20	29.20	51.41	51.41	51.41
Lowest	15.18	-22.57	-22.57	-22.57	-22.57

Highest - this reflects the highest 12 month return during the period.

Lowest - this reflects the lowest 12 month return during the period.

Cumulative performance (%) from Launch



Melville Douglas Select Fund Limited

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Quarterly update at 30 September 2024

Who are the investment managers?



Justin Maloney

BSc (Hons), CFA®, Chartered FCSI
Fund Manager

Justin joined Melville Douglas in 2014 and has 28 years experience of managing global equity funds. He co-manages the Melville Douglas Select Global Equity Fund and covers a range of sub-sectors for the team. Prior to joining the company, he was a global equity fund manager in London for Sanlam and F&C Asset Management. He holds a BSc (Hons) degree in Business from Cass Business School, University of London. He is also a CFA® Charterholder and a Chartered Wealth Manager. Justin is based in Jersey.



Derinia Mathura

BBusSci (Hons) Finance, CFA®
Fund Manager

Derinia joined Melville Douglas in 2013 as the lead analyst for a range of global equity holdings within the consumer discretionary sector. She is the co-manager of the Melville Douglas Select Global Equity Fund. Prior to joining, she worked for RMB Morgan Stanley as a sell-side equity research analyst covering financials. Derinia has a BBusSci (Hons) degree in Finance and is also a CFA® Charterholder.

Melville Douglas Investment Management (Pty) Ltd, FSP 595, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, manage the investments of the fund. Since 1983 Melville Douglas has been delivering superior investment returns across a number of asset classes. As a global boutique investment management company within the Standard Bank Group, we are uniquely positioned to offer domestic and offshore investment solutions. What truly sets Melville Douglas apart is our experienced investment team and our approach to investing – driven by balance, a long-term view and a commitment to fundamental research – which informs our investment decisions across the board.

Fund review

Global markets reached new highs over the quarter, and the fund managed to participate in the rally. Throughout the quarter, market performance broadened, with interest rate plays, real estate and utilities, standing out as the key sectors driving returns. The IT sector underperformed, funding a rotation into more procyclical sectors. Additionally, the market benefited from China's stimulus measures, which focused on fiscal spending and the property market. Not having exposure to the underperforming energy sector (impacted by falling oil prices) helped offset the fund's lack of exposure to Q3's winners, real estate, and utilities. Our relative performance was negatively impacted by the lack of direct exposure to China and more pro-cyclical names, with our stock selection being a detractor. Positive contributions came from companies like Starbucks, which benefited from a new CEO, and Partners and S&P Global, which saw gains due to rate cuts leading to a more favourable credit and market environment. However, these gains were partially offset by weaknesses in Estee Lauder, which we sold over the quarter, Alphabet, which was impacted by regulatory overhang, and Icon Plc, where biopharma hesitancy kept investors cautious.

Market overview

The quarter saw swings and roundabouts but ultimately rate cuts, resilient growth, and the long-awaited Chinese stimulus provided a boost for risk assets. Earlier in the quarter volatility spiked due to recession fears and the unwinding of the Japan carry trade. To put this in perspective, the VIX reached levels above 60, similar to those at the start of the pandemic and the Global Financial Crisis. However, these fears quickly dissipated. Powell delivered a 50 basis point cut, and markets responded positively to the possibility that the Fed could achieve the soft landing investors have been hoping for. The market further benefited from China's stimulus measures, which focused on fiscal spending and the property market. China's support measures included interest rate cuts, more cash for banks, bigger incentives to buy homes, and plans to consider a stock stabilisation fund. According to the OECD, the global economy is settling into newfound stability as the stress of high inflation eases, allowing central banks to cautiously loosen policy. Economic growth has remained resilient in recent months, inflation has continued to moderate, and indicators suggest momentum in services.

Looking ahead

2024 is landmark and potentially seismic year for general elections. Nearly half the world's population, an estimated 3.7 billion people, will have cast their votes in over 70 countries, including the US, the UK, India, and South Africa. In the US, we are heading into a tight, too-hard-to-call race between two very different candidates. A Kamala Harris presidency would represent the status quo, largely continuing the policies seen under Biden. On the other hand, a Trump presidency would bring tax cuts and a more aggressive stance on tariffs and immigration, which could bring near term growth but also potentially worrying upward pressure on inflation. Generally, broader economic developments have a more significant impact on market outcomes than politics. However, there have been instances where election results are critical junctures when market confidence and political actions intersect. The outcome of an election is just one of many factors in our investment process, and its result can be uncertain. Whilst we do not speculate on a particular political outcome, we do assess whether we are taking significant intentional or unintentional political bets. While we are aware of these risks and can adjust, our investment decisions are ultimately driven by a company's bottom-up prospects. Geopolitical fears often lead to sharp, short-term selloffs, typically followed by a relatively quick recovery. These events are inherently difficult to time consistently. In our view, a more reliable and robust approach is to hold a portfolio of the world's best quality compounders. By doing so, we protect our clients' wealth from permanent loss of capital during temporary market noise while generating attractive investment returns over the long run.

The commentary gives the views of the portfolio manager at the time of writing. Any forecasts or commentary included in this document are not guaranteed to occur.

Change in allocation of the fund over the quarter

Asset type	Q3 2024	Q2 2024	Change
Cash & MMkt	1.47	1.29	0.18
Equity	98.53	98.71	-0.18

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	Price (\$)	Shares	NAV (\$)
X	Institutional	25.57	28,101,620.59	718,482,795.92

All data as at 30 September 2024.

Shares - the amount of Participating Shares in issue in each relevant class.

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Important information at 31 October 2024

Disclosures

Collective Investment Funds (CIF) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIF are traded at ruling prices and can engage in borrowing and scrip lending.

The Global Equity Class is a class fund of the Melville Douglas Select Fund Limited (the Fund). The Fund is an 'umbrella fund' and an open-ended investment fund company registered by way of continuation in Jersey under a certificate of continuance dated 31 March 2003 with limited liability under the Law as a no par value company. The Fund is regulated as a Collective Investment Fund by the Jersey Financial Services Commission. The manager of the Fund is STANLIB Fund Managers Jersey Limited (the Manager). The Manager is 100% owned by STANLIB Limited, which is wholly owned by Liberty Holdings Limited. Liberty is a full member of the Association for Savings and Investments of South Africa (ASISA). The manager has a right to close a portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate. The Manager does not provide any guarantee either with respect to the capital or the return of the class fund. A schedule of fees and charges and maximum commissions is available on request from the Manager. The custodian/trustee of the Fund is Apex Financial Services (Corporate) Limited (the Custodian). The Fund, the Manager and the Custodian are regulated by the Jersey Financial Services Commission.

The investments of this class fund are managed, on behalf of the Manager, by Melville Douglas Investment Management (Pty) Ltd (the Investment Manager), an authorised financial services provider (FSP), FSP No. 595, under the Financial Advisory and Intermediary Services Act (FAIS), Act No. 37 of 2002. The Investment Manager, pursuant to a distribution agreement made between it and the Manager, acts as distributor to the class fund in South Africa.

STANLIB Collective Investments (RF) (Pty) Limited is the appointed Fund's representative in the RSA, by the Manager, in respect of the Fund. The RSA Representative is responsible for assisting the Fund with compliance with RSA regulatory requirements in respect of certain Classes to be marketed to investors in the RSA.

Prices are calculated and published on each working day, these prices are available on the Manager's website (www.stanlib.com). This portfolio is valued at 23h59 (GMT). Forward pricing is used. Investments and repurchases will receive the price of the next day if received prior to 14h30 (GMT). Settlement must be made in the relevant class fund's base currency.

This portfolio is permitted to invest in foreign securities. Should the portfolio include any foreign securities these could expose the portfolio to any of the following risks: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information.

All return figures quoted are in USD, as at 31 October 2024, based on data sourced from Morningstar.

Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period. Actual annual figures are available on request from the Manager.

Fund performance figures are calculated for the relevant class of the Fund, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ due to initial fees, actual investment date, date of reinvestment of income and dividend withholding tax. Fund performance figures account for all costs that contribute to the calculation of the cost ratios quoted, all fund returns quoted are therefore after these costs have been accounted for.

Statistics - Positive Months: the number of individual 1 month periods during the specified time period where the return was not negative; Max Gain: the maximum gain in a trough-to-peak incline before a new trough is attained, quoted as the percentage between the trough and the peak. It is an indicator of upside risk over a specified time period (quoted for all periods of 1 year or longer); Max Drawdown: the maximum loss in a peak-to-trough decline before a new peak is attained, quoted as the percentage between the peak and the trough. It is an indicator of downside risk over a specified time period (quoted for all periods of 1 year or longer, where blank no loss was experienced); Highest and Lowest: the highest and the lowest 1 year return (%) that occurred during the specified time period (quoted for all relevant classes launched 1 year or more prior to current month end date).

Additional information about this product including, but not limited to, brochures, application forms and annual or quarterly reports, can be obtained free of charge, from the Investment Manager and from the Investment Manager's website (www.melvilledouglas.co.za).

This document does not constitute an offer of sale. Investors are requested to view the latest Prospectus and Minimum Disclosure Document for information pertaining to this product, as well as seeking professional advice, should they be considering an investment in this product. The Manager provides no guarantee or warranty as to the accuracy of the content of this document. Every effort has been made to ensure that the content is accurate at time of issue. This document is not advice, as defined under FAIS. Please be advised that there may be a representative acting under supervision.

Trail fees are paid inclusive of VAT meaning, where a South African adviser is registered for VAT, the VAT levied is included in the fee payable to the adviser out of the fund's annual management charge. Initial fees are also paid inclusive of VAT.

Contact details

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