

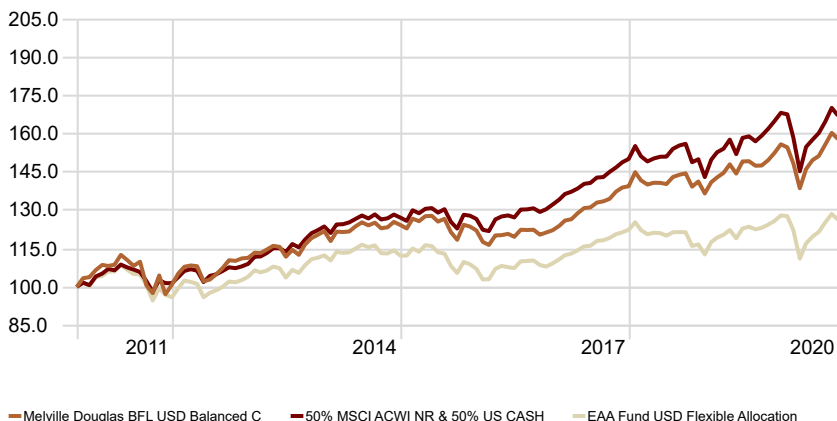
Melville Douglas Balanced Fund Ltd

USD Balanced Class (the "Fund")

Minimum Disclosure Document as at 30 September 2020



Investment Growth***



Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
Melville Douglas BFL USD Balanced C	-1.5	1.3	7.0	5.5	5.9	4.7
50% MSCI ACWI NR & 50% US CASH	-1.8	-0.6	5.0	4.8	6.4	5.3
EAA Fund USD Flexible Allocation	-1.8	-1.3	2.6	2.0	3.7	2.4

Risk Matrix *

	Class C	Benchmark	Cat Avg
Information Ratio (arith)	-0.3		-1.5
Std Dev	8.6	12.0	9.4
Sharpe Ratio **	0.5	0.5	0.1

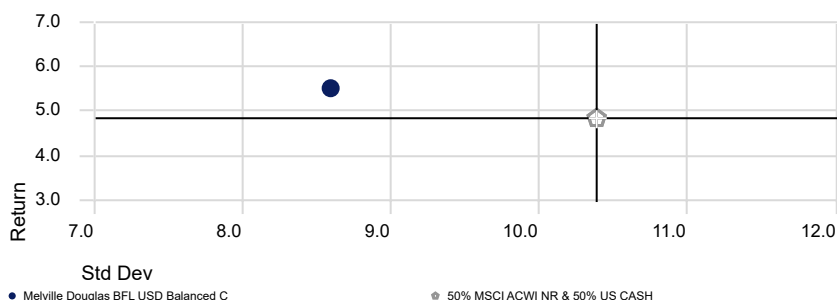
Highest and lowest 12 month rolling return since inception

Highest 12 Month Rolling Return	20.92
Lowest 12 Month Rolling Return	-25.99

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	-0.8	-4.1	-6.6	5.4	2.4	1.1	3.0	2.9	-1.5				
2019	3.2	1.3	1.2	2.3	-2.5	3.3	0.1	-1.2	0.1	1.4	1.9	2.2	14.1
2018	3.9	-2.2	-1.2	0.5	0.0	-0.3	2.0	0.6	0.4	-3.6	1.5	-3.3	-2.0
2017	1.4	1.7	0.4	1.9	1.6	0.2	1.4	0.4	0.7	2.1	1.2	0.4	14.1
2016	-3.7	-1.0	3.2	0.1	0.4	-1.0	2.3	-0.1	0.1	-1.6	0.7	0.7	0.1
2015	-1.1	3.1	-0.8	1.6	0.1	-1.8	0.9	-4.2	-2.5	5.0	-0.6	-1.2	-1.7

Risk-Reward *



Not to be distributed outside of Jersey.

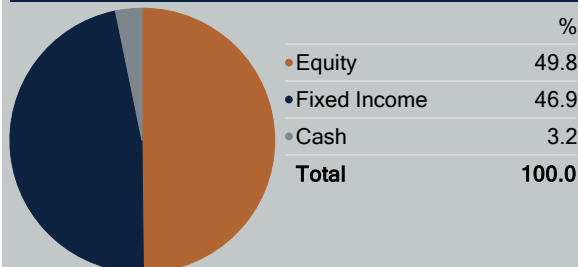
Investment Objective

The objective is to provide long term capital growth in US Dollar terms by investing in a balanced portfolio of globally diversified equity and fixed income.

Top Holdings

	Portfolio Weighting %
US Treasury 0.0	3.5
Microsoft Corp	3.2
European Bk Recon 1.875	3.2
Asian Dev BK 2.25	3.2
Alphabet Inc A	2.4
Inter Amern Dev Bk 2.625	2.4
BNG BANK NV 2.5 16FEB21	2.4
Kreditanstalt 2.75	2.4
Alibaba Group Holding Ltd ADR	2.3
Tencent Holdings Ltd	2.3

Asset Allocation



Operations

Name	Melville Douglas BFL USD Balanced C
Month End Price Class C	\$198.57
Total Fund Value	\$12.62 Million

Fund Managers

Bernard Drotschie

Bernard is the Chief Investment Officer. He holds a B.Com (Hons) degree in Econometrics, is a CFA® Charterholder, and is a Certified Financial Planner™ professional.

Portfolio Risk

LOW

MEDIUM

HIGH

* Data is displayed over a 3 year rolling period
 ** Risk free rate = US Treasury T-Bill 3 Months
 *** Class C since inception. Information compiled using Morningstar based on the most recent published information available to Morningstar at the end of the relevant period. This information is for illustrative purposes only.

Benchmark change on 1 May 2020 to 50% MSCI ACWI & 50% US CASH

Source: Morningstar Direct, Melville Douglas Investment Management

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Additional Risk Information

Where foreign securities are included in the portfolio there may be additional risks, such as potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, tax risks, settlement risks, interest rate and potential limitations on the availability of market information.

The risk rating seen on page 1 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.

Other Fund Facts

Manager	STANLIB Fund Managers Jersey Limited
Investment Manager	Melville Douglas Investment Management (Pty) Ltd
Custodian	Apex Financial Services (Corporate) Limited
Auditors	PwC, Ireland
Fund Directors	GS.Baillie, M.Farrow, O.Sonnichler & R Stewart
Registered Office	47-49 La Motte Street, St Helier, Jersey
Publication Date	20 October 2020
Share Class ISIN	JE00B504TG57
Minimum Investment	\$10 000
Launch Date	16 February 1999

Fund Costs- 12 months

Fee Class	Management Fee*	TER	TC	TIC
Class C	0.95%	1.40%	0.03%	1.43%
TER = (Total Expense Ratio), TC = (Transaction Costs), TIC = (Total Investment Cost ; TER + TC = TIC)				
Where a transaction cost is not readily available, a reasonable best estimate has been used. TER reflected is 1 month in arrears. Estimated transaction costs may include Bond, Money Market and FX Costs (where applicable).				
*Management fee includes fee payable to Manco				

Fund Costs- 36 months

Fee Class	Management Fee*	TER	TC	TIC
Class C	0.95%	1.24%	0.03%	1.27%
TER = (Total Expense Ratio), TC = (Transaction Costs), TIC = (Total Investment Cost ; TER + TC = TIC)				
Where a transaction cost is not readily available, a reasonable best estimate has been used. TER reflected is 1 month in arrears. Estimated transaction costs may include Bond, Money Market and FX Costs (where applicable).				
*Management fee includes fee payable to Manco				

Contact Details

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Statutory Disclosure and General terms and Conditions

This document does not constitute an offer to buy or a solicitation of an offer to buy or sell shares of the Fund in any jurisdiction in which an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer of solicitation and is for information purposes only. Subscriptions will only be received and shares issued on the basis of the current prospectus and prospective investors should carefully consider the risk warnings and disclosures for the Fund set out therein. The value of shares may go down as well as up and investors may get back less cash than originally invested. Performance is calculated for the portfolio, as well as that the individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Past performance is not necessarily a guide to future performance. An investment in the shares of the Fund is not the same as a deposit with a banking institution. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Please refer to the prospectus for more details on the charges and expenses that may be recovered from the Fund. Shares are valued on a daily basis using 23:59 (UK Time) prices. Transaction requests received before 14h30 (UK Time) will receive the following valuation point share price. This is an accumulation portfolio and does not distribute income. Telephone calls may be recorded. Apex Financial Services (Corporate) Limited, STANLIB Fund Managers Jersey Limited and Melville Douglas Balanced Fund Limited are regulated by the Jersey Financial Services Commission.

Prices are available from the Manager on request.

Performance figures are calculated for the relevant class on a NAV basis.

Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. Collective Investment Schemes are generally medium to long-term investments.

An investment management agreement exists between the Fund, the Manager and Melville Douglas Investment Management (Pty) Ltd appointing Melville Douglas Investment Management (Pty) Ltd as the sole representative for the investment management functions performed in South Africa. Melville Douglas Investment Management (Pty) Ltd is a company registered in South Africa with company number 1987/05041/07, and a subsidiary of Standard Bank Group Limited. Melville Douglas Investment Management (Pty) Ltd is licensed as a financial services provider in terms of Section 8 of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002). The appointed representative for the Fund in South Africa is STANLIB Collective Investments (RF) Pty Ltd.

The manager does not provide any guarantee either with respect to the capital or the return of the portfolio.

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Quarterly Commentary

Fund Review

Over the quarter, the fund returned 4.4% compared to a benchmark return of 4.3%. This was despite an underweight position in global equities. Global risk assets continued to forge ahead with global equities ending the quarter up + 8%. The equity component has contributed positively, partly due to a positive contribution from stock selection, but also due to style effect. Growth/Quality has outperformed Value significantly this year. A slight overweight position in cash detracted from performance.

Overview

Volatility sets in as growth momentum rolls over

2020 has truly been a roller coaster ride and has tested the nerves of even the most experienced and sanguine of investors. After one of the sharpest and swiftest market sell-offs and severest and deepest recessions in history, global equity markets, as defined by the FTSE All World TR Index, have rebounded by more than 50% from their lows seen in March leading the index to be in positive territory on a year to date basis. Indeed, very unusual, but a function of the sheer magnitude of fiscal and monetary policy stimulus measures implemented to stave off what could have been a much more prolonged and painful recession. However, not all markets have recovered with the UK FTSE All Share TR disappointingly still nearly -20% year to date whilst investment markets also lost some steam towards the end of the third quarter as certain forward-looking growth indicators in the services sectors (predominantly hospitality and tourism) trended lower in regions that experienced an increase in coronavirus infections. A resurgence of infection rates led to economic headwinds as the re-introduction of social distancing measures were implemented in these regions. Furthermore, risks to additional fiscal policy support have increased in the US as the House Democrats and White House couldn't agree on the terms of additional income support for individuals and small businesses that were negatively affected by the lockdown measures. This has raised concerns about an abrupt slowdown in consumer spending which will make the prospects of a full recovery even more distant.

Outlook

The abrupt change in direction in investment markets is a reminder of just how fragile and dependent financial markets have become on stimulus measures as well as the outlook for COVID-19 infections, but it also highlights the importance of being patient and selective when making investment decisions as growth in the future will likely be more constrained in a world with bloated balance sheets and a change in consumer behaviour given COVID-19. The combination of elevated valuations across all asset classes (a function of low interest rates), uncertainty surrounding the up-coming US presidential elections, prospects of a hard Brexit, and a slowdown in growth momentum due to a pick-up in infections and the removal of fiscal support are sure to provide a fair dose of volatility in the near term. Volatility does however provide investment opportunities, and investors will do well to stay the course and focus on the fundamentals which have been improving as the global economic recovery takes hold (even though it may be bumpy at times) and not be swayed by the short term noise which can be overwhelming. Our investment approach, irrespective of the environment, is to focus on fundamentals while assessing the risks that we are being presented with, and to not be influenced by daily market movements or momentum. We will continue to ensure that portfolios are adequately diversified to navigate through what could be a more volatile period ahead of us as the year draws to a close.

We have recently made use of volatility in investment markets to tactically increase the equity exposure to Neutral from a one notch underweight position previously. The change in allocation was primarily driven by our belief that following recent central bank comments interest rates will be held low for a prolonged period and continue to provide an underpin to valuations while the economic recovery takes hold. Following its latest meeting the US Fed has indicated that they expect interest rates to remain unchanged until 2023 and signalled that the tolerance to inflation has become more balanced, given their "new" 2% average inflation targeting objective accompanied by maximum employment. This view is very much supported by central banks globally. The outlook for earnings growth has also improved in line with economic fundamentals, with an expectation of a strong rebound over the next year. Although we don't expect future returns to be in line with the expected recovery in earnings given the already strong recovery in share prices, we would expect the asset class to outperform both cash and fixed income securities over the next year.

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.