



**Melville Douglas Balanced Fund Limited  
Unaudited Interim Report and Financial Statements  
For the period 1 October 2023 to 31 March 2024**

# Melville Douglas Balanced Fund Limited

## Unaudited Interim Report and Financial Statements

For the period 1 October 2023 to 31 March 2024

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# Melville Douglas Balanced Fund Limited

## Administration

### Directors

Michael Farrow\* (British) (Chairman) (Jersey Resident)  
Michael Laws (British) (South African Resident)  
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 unaudited interim report and financial statements for the period 1 October 2023 to 31 March 2024.

### 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 2024 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 31 March 2024, 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 2.

Michael Laws and Oliver Sonnichler are executives 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 2024, and subsequently was STANLIB Fund Managers Jersey Limited.

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

**Company Secretary**  
**27 June 2024**

# Melville Douglas Balanced Fund Limited

## Statement of Financial Position

As at 31 March 2024

(Comparatives as at 30 September 2023)

		USD Balanced Class 31 March 2024 USD	USD Balanced Class 30 September 2023 USD
	Notes		
<b>Assets</b>			
Financial assets at fair value through profit or loss	2(b), 7.4	9,877,158	10,352,056
Cash and cash equivalents	2(c)	186,076	130,990
Income receivable	2(d)	26,980	30,041
<b>Total assets</b>		<b>10,090,214</b>	<b>10,513,087</b>
<b>Liabilities</b>			
Payable for shares redeemed	2(f)	–	12,000
Management fees payable	2(g)	7,314	8,026
Custodian fees payable	2(g)	383	397
Sub-Custodian fees payable	2(g)	224	218
Director fees payable	2(g)	9,199	9,314
Audit fees payable	2(g)	2,053	6,782
Other payables		1,238	1,333
<b>Total liabilities</b>		<b>20,411</b>	<b>38,070</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>10,069,803</b>	<b>10,475,017</b>
<b>Net asset value per share</b>			
Class C Shares		229.05	206.81

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

The financial statements were approved by the Board on 27 June 2024.

The notes on pages 8 to 17 form an integral part of these financial statements.

# Melville Douglas Balanced Fund Limited

## Statement of Comprehensive Income

For the period 1 October 2023 to 31 March 2024

(Comparatives are for the period 1 October 2022 to 31 March 2023)

		USD Balanced Class 31 March 2024 USD	USD Balanced Class 31 March 2023 USD
	Notes		
<b>Income</b>			
Dividend income	2(d)	23,691	26,179
Interest income	2(d)	111,171	79,679
Deposit interest	2(d)	2,245	1,487
Net gain on financial assets at fair value through profit or loss	2(h), 3	982,238	960,280
<b>Total net gain</b>		<b>1,119,345</b>	<b>1,067,625</b>
<b>Expenses</b>			
Management fees	2(g)	47,781	49,948
Custodian fees	2(g)	2,480	2,493
Sub-Custodian fees	2(g)	1,532	1,592
Directors' fees	2(g)	18,548	18,243
Audit fees	2(g)	4,048	2,712
Sundry expenses		2,515	2,894
<b>Total operating expenses</b>		<b>76,904</b>	<b>77,882</b>
<b>Net income before finance costs</b>		<b>1,042,441</b>	<b>989,743</b>
<b>Finance Costs:</b>			
<b>Total Finance Costs</b>		<b>–</b>	<b>–</b>
Taxation	2(i), 4	(5,752)	(6,554)
<b>Increase in net assets attributable to holders of redeemable shares from operations</b>		<b>1,036,689</b>	<b>983,189</b>

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 8 to 17 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 2023 to 31 March 2024

(Comparatives are for the period 1 October 2022 to 31 March 2023)

		USD Balanced Class 31 March 2024 USD	USD Balanced Class 31 March 2023 USD
	Notes		
Net assets attributable to holders of redeemable shares at the beginning of the period		10,475,017	10,302,787
Proceeds from the issue of shares	5	94,102	—
Payments on the redemption of shares	5	(1,536,005)	(497,573)
<b>Increase in net assets attributable to holders of redeemable shares from investment activities</b>		<b><u>1,036,689</u></b>	<b><u>983,189</u></b>
<b>Net assets attributable to holders of redeemable shares at the end of the period</b>		<b><u>10,069,803</u></b>	<b><u>10,788,403</u></b>

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

The notes on pages 8 to 17 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 2024 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 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 6 and 7. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on page 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)), 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 period 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 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 2024 USD	USD Balanced Class 31 March 2023 USD
Non-derivative securities:		
Net realised gain on investments	31,257	201,168
Net movement in unrealised investment schemes	950,981	759,112
	<u>982,238</u>	<u>960,280</u>
Derivative securities:		
Net realised gain on foreign currency contracts	—	—
<b>Net gain on financial assets at fair value through profit or loss</b>	<u><b>982,238</b></u>	<u><b>960,280</b></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	31 March 2024 USD	31 March 2023 USD
Overseas tax - withholding tax on dividend income	5,752	6,554

### 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 2024	30 September 2023
	USD	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 2024.

	Number of shares at 30 September 2023	Issued during the period	Redeemed during the period	Number of shares at 31 March 2024
USD Balanced Class	50,652	431	(7,120)	43,963

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

### 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.

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:

# Melville Douglas Balanced Fund Limited

## Notes to the Financial Statements (continued)

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

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. Oliver Sonnbichler, Michael Laws and Robert Stewart are entitled to receive up to USD10,000 per director per annum from the Company. Directors fees incurred during the period ended 31 March 2024 amounted to USD18,548 (31 March 2023: USD18,243) with USD9,199 (30 September 2023: USD9,314) outstanding at the period end.

The fees incurred during the period ended 31 March 2024 and 31 March 2023 are as disclosed in the Statement of Comprehensive Income with the amounts outstanding at the period end disclosed in the Statement of Financial Position.

As at 31 March 2024 the USD Balanced Class Fund held 25,916 shares (31 March 2023: 28,017 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.

##### 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

# Melville Douglas Balanced Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Sensitivity analysis (continued)

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

	31 March 2024	30 September 2023
	USD	USD
USD Balanced Class	493,858	517,603

##### 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 31 March 2024 and 30 September 2023 is detailed in the Portfolio Statement.

##### USD Balanced Class

###### 31 March 2024

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	4,027,842	199,183	5,842,778	10,069,803
	<u>4,027,842</u>	<u>199,183</u>	<u>5,842,778</u>	<u>10,069,803</u>

##### 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>

##### 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.

# 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 tables show the currency exposure of the Class Fund as at 31 March 2024 and 30 September 2023.

##### USD Balanced Class

Exposure currency 31 March 2024	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
CHF	312,768	—	—	312,768	3.11
EUR	335,635	28	—	335,663	3.33
GBP	163,995	—	—	163,995	1.63
JPY	188,340	—	342	188,682	1.87
USD	8,876,420	186,048	6,227	9,068,695	90.06
	<u>9,877,158</u>	<u>186,076</u>	<u>6,569</u>	<u>10,069,803</u>	<u>100.00</u>

##### 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
	<u>10,352,056</u>	<u>130,990</u>	<u>(8,029)</u>	<u>10,475,017</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.

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 31 March 2024 USD	Change in net assets 30 September 2023 USD
CHF	+/-5%	15,638	13,762
EUR	+/-5%	16,783	15,884
GBP	+/-5%	8,200	5,269
HKD	+/-5%	—	6,273
JPY	+/-5%	9,434	7,958

#### 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.

# Melville Douglas Balanced Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.2. Liquidity risk (continued)

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.

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 period ended 31 March 2024 the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2023 : AA-) with Standard & Poor's, Aa2 (2023 : Aa2) with Moody's and AA (2023 : 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.



# Melville Douglas Balanced Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

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

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 below analyse within the fair value hierarchy the Company's financial assets measured at fair value at 31 March 2024 and 30 September 2023 in accordance with FRS 102.

#### 31 March 2024

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>USD Balanced Class</b>				
Investment Companies	558,314	–	–	558,314
Common Stock	5,091,819	–	–	5,091,819
Corporate Bonds	–	1,947,375	–	1,947,375
Government Bonds	2,279,650	–	–	2,279,650
<b>Total Assets</b>	<b>7,929,783</b>	<b>1,947,375</b>	<b>–</b>	<b>9,877,158</b>

# Melville Douglas Balanced Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

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

30 September 2023

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>USD Balanced Class</b>				
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
<b>Total Assets</b>	<b>7,348,471</b>	<b>3,003,585</b>	<b>–</b>	<b>10,352,056</b>

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

### 8. Exchange rates

The following exchange rates at 31 March 2024 and 30 September 2023 were used to translate foreign currency assets and liabilities:

	31 March 2024	30 September 2023
USD/CHF	0.90069	0.91479
USD/EUR	0.92591	0.94449
USD/GBP	0.79161	0.81930
USD/HKD	7.82644	7.83188
USD/JPY	151.34502	149.22502

### 9. Significant events during the period

There were no 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 27 June 2024.

# Melville Douglas Balanced Fund Limited

## Portfolio Statement

### USD Balanced Class

As at 31 March 2024

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.09% (30 September 2023: 98.83%)</b>				
<b>Common Stock 50.57% (30 September 2023: 43.51%)</b>				
<b>France</b>				
LVMH Moet Hennessy Louis Vuitton SE	177	128,966	159,383	1.58
			159,383	1.58
<b>Germany</b>				
Brenntag SE	2,089	140,819	176,252	1.75
			176,252	1.75
<b>India</b>				
HDFC Bank Ltd ADR	2,680	176,835	150,013	1.49
			150,013	1.49
<b>Ireland</b>				
ICON Plc	795	161,484	267,112	2.66
Linde Plc	493	101,270	228,801	2.27
			495,913	4.93
<b>Japan</b>				
Keyence Corp	407	163,031	188,340	1.87
			188,340	1.87
<b>Jersey</b>				
Experian Plc	3,758	112,306	163,995	1.63
			163,995	1.63
<b>Switzerland</b>				
Nestle SA	1,140	134,326	121,184	1.21
Partners Group Holding AG	134	124,139	191,584	1.90
			312,768	3.11
<b>Taiwan</b>				
Taiwan Semiconductor Manufacturing Co Ltd ADR	1,868	220,659	254,095	2.52
<b>United States</b>				
Alphabet Inc	255	33,376	38,455	0.38
Alphabet Inc - Class A	816	72,763	123,057	1.22
Amazon.com Inc	1,549	206,750	279,200	2.77

# Melville Douglas Balanced Fund Limited

## Portfolio Statement (Continued)

### USD Balanced Class (continued)

As at 31 March 2024 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.09% (30 September 2023: 98.83%) (continued)</b>				
<b>Common Stock 50.57% (30 September 2023: 43.51%) (continued)</b>				
<b>United States (continued)</b>				
Amphenol Corp - Class A	2,225	141,870	256,621	2.55
Boston Scientific Corp	3,079	115,510	210,865	2.09
Elevance Health Inc	335	129,777	173,636	1.72
Estee Lauder Cos Inc/The - Class A	587	136,358	90,436	0.90
JPMorgan Chase & Co	1,034	121,654	207,095	2.06
Mastercard Inc	458	148,004	220,273	2.19
Meta Platforms Inc - Class A	608	156,123	295,287	2.94
Microsoft Corp	915	134,240	384,309	3.82
NVIDIA Corp	160	144,424	144,433	1.43
S&P Global Inc	329	148,335	139,802	1.39
Starbucks Corp	1,557	155,274	142,224	1.41
Thermo Fisher Scientific Inc	180	96,062	104,568	1.04
UnitedHealth Group Inc	322	122,331	159,205	1.58
Visa Inc - Class A	795	154,219	221,594	2.20
			3,191,060	31.69
<b>Total Common Stock</b>			<b>5,091,819</b>	<b>50.57</b>
<b>Investment Companies 5.54% (30 September 2023: 4.03%)</b>				
<b>Ireland</b>				
iShares iBonds Dec 2025 Term USD Corp UCITS ETF	1,000	103,103	103,730	1.03
iShares USD Short Duration Corp Bond UCITS ETF	1,420	148,800	139,600	1.38
			243,330	2.41
<b>Jersey</b>				
Melville Douglas Select Fund Limited-Global Impact Class	25,916	260,804	270,669	2.69
			270,669	2.69
<b>United States</b>				
iShares iBoxx High Yield Corporate Bond ETF	570	48,418	44,315	0.44
			44,315	0.44

# Melville Douglas Balanced Fund Limited

## Portfolio Statement (Continued)

### USD Balanced Class (continued)

As at 31 March 2024 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.09% (30 September 2023: 98.83%) (continued)</b>				
<b>Investment Companies 5.54% (30 September 2023: 4.03%) (continued)</b>				
<b>United States (continued)</b>				
<b>Total Investment Companies</b>			<b>558,314</b>	<b>5.54</b>
<b>Corporate Bonds 19.34% (30 September 2023: 28.68%)</b>				
<b>Cayman Islands</b>				
<b>Germany</b>				
Kreditanstalt fuer Wiederaufbau 1.250% 31/01/2025	255,000	248,058	247,191	2.45
Kreditanstalt fuer Wiederaufbau 5.125% 29/09/2025	175,000	175,351	176,015	1.75
Kreditanstalt fuer Wiederaufbau 1.375% 05/08/2024	75,000	73,950	74,062	0.74
			497,268	4.94
<b>International</b>				
Asian Development Bank 'GMTN' 4.125% 27/09/2024	300,000	299,089	298,293	2.96
European Investment Bank 2.250% 24/06/2024	225,000	225,778	223,448	2.22
Inter-American Development Bank 0.625% 15/07/2025	320,000	302,485	302,944	3.01
Inter-American Development Bank 3.250% 01/07/2024	100,000	99,450	99,476	0.98
			924,161	9.17
<b>South Africa</b>				
Standard Bank Group Ltd FRN 5.950% 31/05/2029	200,000	206,513	199,183	1.98
<b>United States</b>				
Amazon.com Inc 3.800% 05/12/2024	100,000	99,072	99,060	0.99
JPMorgan Chase & Co 3.875% 10/09/2024	100,000	99,021	99,152	0.98
UnitedHealth Group Inc 2.375% 15/08/2024	130,000	128,878	128,551	1.28
			326,763	3.25
<b>Total Corporate Bonds</b>			<b>1,947,375</b>	<b>19.34</b>

# Melville Douglas Balanced Fund Limited

## Portfolio Statement (Continued)

### USD Balanced Class (continued)

As at 31 March 2024 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.09% (30 September 2023: 98.83%) (continued)</b>				
<b>Government Bonds 22.64% (30 September 2023: 22.61%)</b>				
<b>United States</b>				
United States Treasury Bill (Zero Coupon) 0.000% 23/05/2024	70,000	69,446	69,470	0.69
United States Treasury Note/Bond 2.125% 31/07/2024	350,000	346,236	346,353	3.44
United States Treasury Note/Bond 2.875% 30/04/2025	420,000	411,556	410,752	4.08
United States Treasury Note/Bond 1.375% 31/01/2025	215,000	209,832	208,525	2.07
United States Treasury Note/Bond 1.125% 15/01/2025	540,000	524,877	523,563	5.20
United States Treasury Note/Bond 2.500% 31/05/2024	420,000	418,378	418,041	4.15
United States Treasury Note/Bond 3.125% 15/08/2025	310,000	302,515	302,946	3.01
			2,279,650	22.64
<b>Total Government Bonds</b>			<b>2,279,650</b>	<b>22.64</b>
<b>Total Investments</b>		<b>8,482,515</b>	<b>9,877,158</b>	<b>98.09</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>9,877,158</b>	<b>98.09</b>
Total Investments			9,877,158	98.09
Net current assets			192,645	1.91
<b>Total net assets</b>			<b>10,069,803</b>	<b>100.00</b>

# Melville Douglas Balanced Fund Limited

## Fund Statistics

<b>USD Balanced Class - Class C</b>	<b>Net asset value USD</b>	<b>Net asset value per Share USD</b>	<b>% change in period</b>	<b>Number of shares in issue</b>	<b>Highest Price* USD</b>	<b>Lowest Price* USD</b>
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
31 September 2023	10,475,017	206.81	10.60	50,652	214.28	186.15
31 March 2024	10,069,803	229.05	10.75	43,963	230.01	203.40

\* 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 Expenses 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

	<b>31 March 2024</b>	<b>31 March 2023</b>
Total Expense Ratio – Class C Shares	1.51%	1.48%

### Investment Purchases, Investment Sales and Commissions

<b>USD Balanced Class</b>	<b>31 March 2024 USD</b>	<b>31 March 2023 USD</b>
Gross purchases in period including transaction costs	2,133,783	2,653,610
Commissions	–	(250)
Net purchases total	<u>2,133,783</u>	<u>2,653,360</u>
Gross sales in period including transaction costs	3,641,344	2,616,601
Commissions	–	(50)
Net sales total	<u>3,641,344</u>	<u>2,616,551</u>