

# Melville Douglas Balanced Fund Limited

## USD Balanced Class

Fund information update at 28 February 2025

### What is the fund's objective?

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

### What does the fund invest in?

The Class Fund invests in a well-diversified portfolio comprising quoted global equities, global fixed income securities including government and corporate bonds and money market instruments 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
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### What is the suggested investment period for this fund?

#### Minimum period

1 Month	6 Months	1 Year	3 Years	5 Years	7 Years
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### Who should consider investing in this fund?

The fund is aligned to investors who require a real return on their capital over time. The fund is suited to investors with a moderate risk profile.

### Income

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

### General fund information

<b>Manager(s)</b>	Bernard Drottschie, Simon Bradbury and Derinia Mathura
<b>Size (NAV)</b>	\$ 9.06 million
<b>Peer group</b>	EAA Fund USD Flexible Allocation
<b>Benchmark</b>	MSCI ACWI NR 50% US Cash 50%
<b>Section 65</b>	Not Approved
	<b>Class C</b>
<b>Launch</b>	16 May 2003
<b>ISIN number</b>	JE00B504TG57
<b>SEDOL code</b>	B504TG5
<b>Bloomberg</b>	MDBLBLC JY
	<b>Minimum investment requirements -</b>
New business	Open
Initial	\$ 2,500
Subsequent	\$ 1,000

### What are the costs to invest in this fund?

#### Maximum charges

	Class C
<b>Initial fee (manager)</b>	0.000%
<b>Initial fee (adviser)</b>	3.000%
<b>Annual fee (manager)</b>	0.950%
<b>Annual fee (adviser)</b>	0.000%
<b>Performance fee</b>	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 31 December 2024

	Class C
<b>Based on period from:</b>	01/01/2022
<b>Total Expense</b>	1.48%
<b>Transaction Costs</b>	0.01%
<b>Total Investment Charge</b>	1.49%
<b>1 Year Total Expense</b>	1.48%

**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.

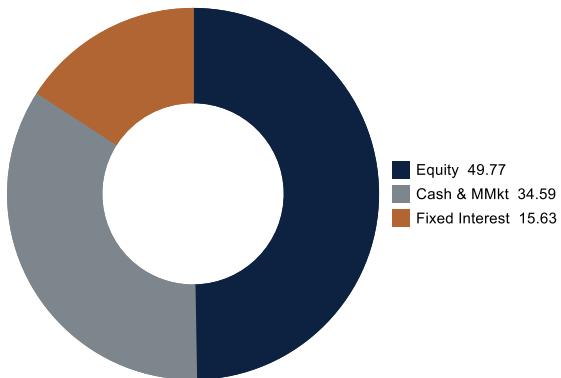
# Melville Douglas Balanced Fund Limited

## USD Balanced Class

Monthly update at 28 February 2025

### Holdings

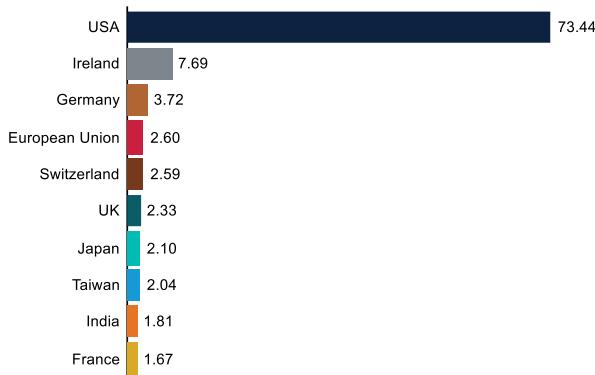
#### Asset class (%)



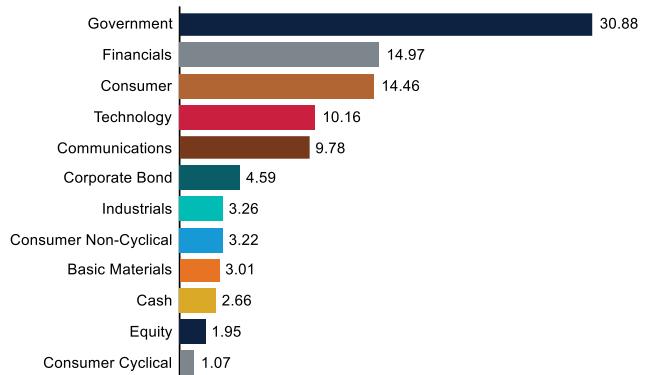
#### Top holdings (%)

Intl Bank for Recon & Dev 2.5% 29/07/2025	5.31
US TSY Bill 0% 10/04/2025	4.79
US TSY Note/Bond 2.875% 30/04/2025	4.48
European Investment Bank 0.625% 25/07/2025	4.22
Inter-American Dev Bank 0.625% 15/07/2025	3.69
US TSY Note/Bond 3.125% 15/08/2025	3.30
Meta Platforms Inc	3.26
Amazon.com Inc	3.20
Microsoft Corp	3.18
Mastercard Inc A	2.51

#### Country (%)



#### Category (%)



### Performance and Income

Class C Launch: 16 May 2003

Benchmark: MSCI ACWI NR (MSCI World NR from launch to 30/04/20) 50%; US Cash 50%

Peer group: EAA Fund USD Flexible Allocation

Returns (%)	1yr	3yrs	5yrs	7yrs	10yrs
<b>Class C</b>					
Class	5.83	4.53	5.20	4.37	4.20
Benchmark	10.14	7.01	8.03	6.45	5.86
Peer group	7.19	3.10	4.59	3.24	2.81

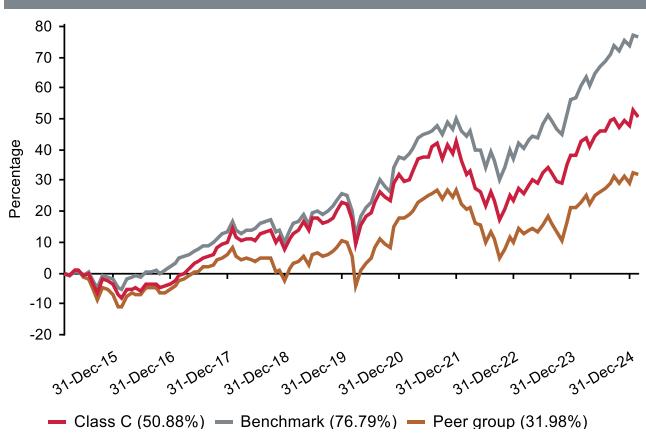
Returns (%) shown are cumulative for all periods shorter than or equal to 1 year and annualised for all periods greater than 1 year.

Statistics (%)	1yr	3yrs	5yrs	7yrs	10yrs
<b>Class C</b>					
Positive Months	7	20	36	51	75
Max Gain	8.30	30.15	39.65	41.76	66.34
Max Drawdown	-1.96	-11.72	-17.75	-17.75	-17.75
Highest	15.73	15.73	21.84	21.84	21.84
Lowest	5.83	-14.81	-14.81	-14.81	-14.81

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

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

#### Cumulative performance (%) over 10 Years



# Melville Douglas Balanced Fund Limited

## USD Balanced Class

Quarterly update at 31 December 2024

### Who are the investment managers?



**Bernard Drotchie**  
BCom (Hons), CFA®, CFPTM  
Chief Investment Officer



**Simon Bradbury**  
FCSI, Chartered Wealth Manager  
Fixed Income and Currency Strategy



**Derinia Mathura**  
BBusSci (Hons) Finance, CFA®  
Fund Manager

Bernard joined Melville Douglas in 2002 as a portfolio manager and analyst, prior to which he worked for Absa Asset Management. He is the lead manager on the Melville Douglas Global Growth Fund (USD) and co-manages the Melville Douglas Balanced Fund (USD) and the Melville Douglas Income Funds. He holds a BCom (Hons) degree in Econometrics, is a CFA® Charterholder and a Certified Financial Planner™ professional.

Simon joined Standard Bank in 2002, with over 30 years' experience in the industry. He has built up extensive knowledge of global wealth management solutions, specialising in international fixed income and currency markets. He is co-manager of the Melville Douglas Bond and Enhanced Income Funds, whilst he also manages the investments of a number of high-net-worth clients. Simon is a Chartered Wealth Manager and a Fellow of the Chartered Institute for Securities and Investment.

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

Over the quarter, the fund returned -1.6% (Class C) behind a benchmark return of +0.1%. The fund's underperformance was primarily due to the global equity component, with the enhanced income component also lagging the benchmark. Asset allocation detracted from returns being overweight global equity. Communications services and technology stocks were standout performers over the quarter, with enthusiasm for AI remaining strong. These sectors together with consumer discretionary and financials were the only sectors to deliver a positive return over the quarter. Our allocation effect was slightly positive. Having no exposure to utilities, real estate and energy helped offset our overweight to healthcare which cost us over the quarter. Stock selection was negative over the quarter with healthcare the key detractor.

The Fund's fixed income allocation delivered a positive return, although was slightly shy of the cash benchmark return in the quarter. The duration position is currently 0.6 years, and whilst defensive, is longer than the overnight cash benchmark which has been a slight drag on performance in the short-term. With the outlook for improved growth and sticky inflation set to remain and with little to no pickup in yield due to the flat yield curve out to 5 years, the defensive duration strategy will remain employed.

### Market overview

In 2024, global equity markets, led by US indices, experienced significant growth driven by a combination of favourable economic factors. Lower inflation eased cost pressures, enabling businesses to operate more efficiently while boosting consumer purchasing power. Concurrently, a synchronised global interest rate cutting cycle reduced borrowing costs, spurring investment and spending across various sectors. This monetary easing fostered a positive outlook for corporate earnings growth, as companies benefited from reduced financial burdens and increased demand for their products and services.

However, the year ended on a softer note, with Q4 proving to be a weak period for global financial markets due to a stronger dollar and higher US bond yields. This pullback was attributed to market participants reacting to economic data and less dovish signals from the Federal Reserve (Fed) during December's FOMC meeting. While the Fed cut interest rates by 25 basis points (bps), they raised their inflation forecast for the year ahead, indicating fewer interest rate cuts than previously anticipated. Currently, the Fed is forecasting two 25bps cuts for next year, while the uncertainty of Trump's inflationary policies may weigh on the markets in the interim. The overweight positioning and bullish stance on equities leading into December's meeting left the market with little room for disappointment, making it susceptible to volatility.

### Looking ahead

The global economic outlook remains positive, driven by monetary easing, credit growth, real wage growth, and productivity gains from AI. The divergence in growth and inflation between the US and the rest of the world is expected to persist, resulting in less aggressive monetary easing in the US compared to Europe, where growth has been lacklustre. Emerging markets look set to face challenges from a strong US dollar, higher for longer global bond yields, a weak Chinese economy, and uncertainties related to a new US administration.

President Trump's policies, such as lower taxes, import tariffs, and the deportation of undocumented immigrants, could add inflationary pressures to an already buoyant US economy. The lack of detailed information and the ultimate implementation of these policies pose several risks to economic growth, likely leading to periods of volatility in global financial markets.

We will continue to monitor developments as they unfold but will maintain our fundamental approach of investing in quality assets that offer significant upside and attractive returns for our clients over the long term. With equity valuations becoming less supportive we are dialling back our overweight equity positioning to neutral.

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	Q4 2024	Q3 2024	Change
Cash & MMkt	37.16	37.60	-0.44
Equity	54.97	55.81	-0.84
Fixed Interest	7.87	6.59	1.28

The portfolio adhered to its portfolio objective over the quarter.

### Fund classes

Class	Type	Price (\$)	Shares	NAV (\$)
C	Retail	235.52	39,709.84	9,352,586.30

All data as at 31 December 2024.

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

# Melville Douglas Balanced Fund Limited

## USD Balanced Class



Important information at 28 February 2025

### 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 USD Balanced Class is a class fund of the Melville Douglas Balanced 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](http://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 28 February 2025, 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](http://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

#### Manager and Registrar

STANLIB Fund Managers Jersey Limited

Reg. No. 30487

Standard Bank House, 47-49 La Motte Street, JE2 4SZ

Telephone: +44 (0)1534 881400

Email: SFMJ@stanlib.com

Website: [www.stanlib.com](http://www.stanlib.com)

#### Fund Directors

M.Farrow, M.Laws, O.Sonnichler and R.Stewart.

#### Trustee/Custodian

Apex Financial Services (Corporate) Limited

Reg. No. 702

12 Castle Street, JE2 3RT

Telephone: +44 (0)1534 847000

#### Investment Manager and Distributor

Melville Douglas Investment Management (Pty) Ltd

An authorised financial services provider, FSP No. 595

Reg. No. 1987/005041/07

8th Floor West Wing, 30 Baker Street, Rosebank, 2196

Telephone: +27 (0)11 721 7964

Website: [www.melvilledouglas.co.za](http://www.melvilledouglas.co.za)

#### RSA Representative

STANLIB Collective Investments (RF) (Pty) Limited

Reg. No. 1969/003468/07

17 Melrose Boulevard, Melrose Arch, 2196

Telephone: 0860 123 003