

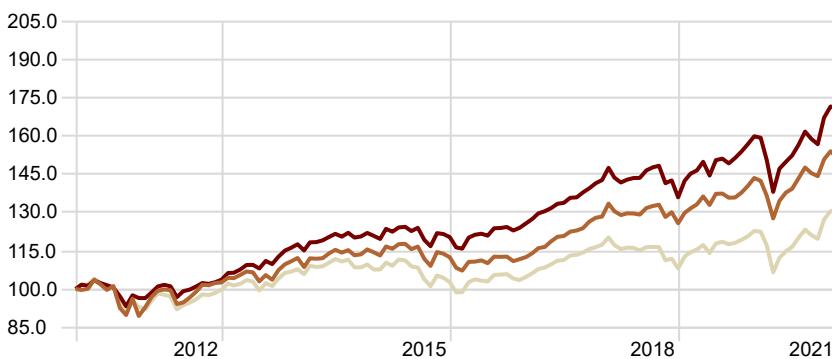
Melville Douglas Balanced Fund Ltd

USD Balanced Class (the "Fund")

Minimum Disclosure Document as at 31 January 2021



Investment Growth***



— Melville Douglas BFL USD Balanced C — 50% MSCI ACWI NR & 50% US CASH — EAA Fund USD Flexible Allocation

Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
Melville Douglas BFL USD Balanced C	-1.54	-1.54	6.47	4.35	6.97	4.26
50% MSCI ACWI NR & 50% US CASH	-0.26	-0.26	7.41	5.07	8.04	5.52
EAA Fund USD Flexible Allocation	0.01	0.01	6.62	2.79	5.77	2.71

Risk Matrix *

	Class C	Benchmark	Cat Avg
Information Ratio (arith)	-0.6		-1.3
Std Dev	8.8	13.0	10.1
Sharpe Ratio **	0.4	0.5	0.2

Highest and lowest 12 month rolling return since inception

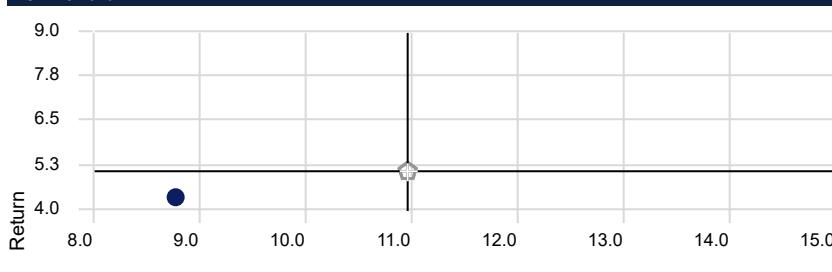
Highest 12 Month Rolling Return 20.92

Lowest 12 Month Rolling Return -25.99

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	-1.5												
2020	-0.8	-4.1	-6.6	5.4	2.4	1.1	3.0	2.9	-1.5	-0.8	4.6	2.1	7.3
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

Risk-Reward *



● Melville Douglas BFL USD Balanced C

◎ 50% MSCI ACWI NR & 50% US CASH

Not to be distributed outside of Jersey.

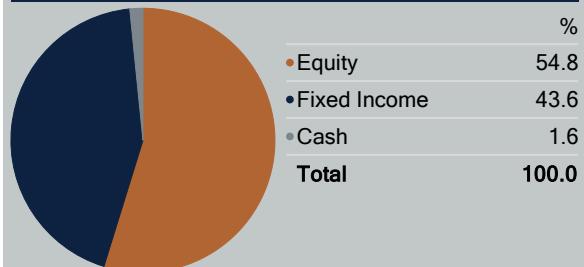
Investment Objective

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 %
Microsoft Corp	3.3
Tencent Holdings Ltd	3.0
Alphabet Inc A	2.6
European Bk Recon 1.875	2.5
HDFC Bank Ltd ADR	2.3
Kreditanstalt Fur Wiede 1.5	2.3
Brenntag SE	2.2
Anthem Inc	2.1
UnitedHealth Group Inc	2.1
Inter Amern Dev Bk 2.625	2.1

Asset Allocation



Operations

Name	Melville Douglas BFL USD Balanced C
Month End Price Class C	\$207.04
Total Fund Value	\$14.51 Million

Fund Managers

Bernard Drotchie

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



* 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

Melville Douglas Balanced Fund Ltd

USD Balanced Class

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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	12 February 2021
Share Class ISIN	JE00B504TG57
Minimum Investment	\$10 000

Launch Date	16 February 1999
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Fund Costs- 12 months

Fee Class	Management Fee*	TER	TC	TIC
Class C	0.95%	1.39%	0.03%	1.42%

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%	1.29%	0.03%	1.33%

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

Melville Douglas Investment Management (Pty) Ltd

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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 (31 December 2021)

Fund Review

Over the quarter, the fund returned 5.9% compared to a benchmark return of 8.0%. The announcement of multiple vaccines with efficacy rates higher than forecast coupled with Joe Biden's US residential election victory led to a strong equity market rally during the final quarter of the year. Whilst the fund participated in the rally, aided by the decision to move from marginally underweight to marginally overweight equities due to the positive vaccine data, relative performance lagged due to the considerable market rotation away from large cap growth companies in favour of value securities and more cyclical sectors.

Overview

It is often said that 'fact is stranger than fiction' and indeed it is difficult to fully comprehend some of the events of 2020. Initial reaction to the pandemic, which has so far sadly claimed over 1.65 million lives, risk assets initially fell with global equity markets falling some -35% but the bear market proved to be the shortest in history, the ensuing global economic recession also proved to be extremely short-lived. We saw futures prices for oil contracts fall to an astonishing negative -\$37.63 in April highlighting the extreme volatility and strains seen in the global assets in the earlier part of the year which have since eased and seen global equity markets finish higher as a result of truly colossal central bank and government monetary and fiscal stimulus together with hopes of a return to some sort of normality during the year ahead due to the release of affective vaccines.

The year also delivered a very divisive US election and a long-awaited BREXIT deal, but for many 2020 will be considered a very challenging year on many levels that they may wish to just forget. Attention now turns to what may unfold in 2021. As we remain in the middle of a global pandemic which continues to have the ability to materially change the direction of travel in each and every asset class dealing with COVID-19 via a successful vaccination program clearly remains the determining event on how 2021 will turn out both economically and socially. The simple truth is that we do not know exactly when this awful saga will eventually run its course but we do know that it is transitory in nature and some of the best medical minds on the planet have worked tirelessly to get us closer to that light at the end of the tunnel by way of the development of vaccines that have surprisingly high efficacy rates.

Melville Douglas' debates on market forecasting usually centre around global growth conditions, the generosity of central banks, interest rate forecasts, company earnings etc. and whilst all of these of course remain highly relevant, there is no doubt that these key factors remain hostage to the success of the worldwide vaccination program. We are optimistic on this front and as such increased risk during the final months of 2020 and are positioned overweight equity as we enter 2021. It would be remiss not to expect some road bumps along the way with regards to the implementation of successful distribution strategies of the vaccines which hopefully will not only be deployed swiftly but also in the fairest way possible, not just to those with the deepest pockets. Maybe one positive side effect of this terrible episode will be that it brings nations, families and individuals closer together in a common humanitarian goal.

Outlook

The discovery of vaccines with very high efficacy rates in such a short period has brought hope as widespread vaccination programs are expected to break the link between mobility measures and the number of infections. Risks in the near term remain, such as the supply and usage rates of the vaccines whilst new strains of the virus are a concern, but there is no doubt that the recent break-through in medical technology have improved the medium-term outlook significantly. In addition a combination of other factors such as pent up demand, high savings ratios, inventory rebuilding and policy support in the form of low interest rates and fiscal initiatives which include income payment transfers and infrastructure projects, and perhaps a more predictable geo-political environment will all contribute to an improved growth outlook for 2021 and beyond.

Investors should however remain selective and vigilant in their approach given elevated debt levels and less favourable valuations. We will continue to invest in quality securities with strong balance sheets, proven business models and secular growth drivers which will ultimately result in sustainable and predictable growth in profitability.

We have been consistently adding to risk assets such as global equities at a measured pace following news of the development of successful high efficacy vaccines. We acknowledge that valuations are not cheap by historical standards but would expect an improvement in the outlook for corporate earnings to continue to support returns in the year ahead. The earnings recovery cycle (pre-crisis levels) for the MSCI All Country World Index is expected to be completed towards the end of 2021, implying 25% growth in earnings per share over the next 12 months. Furthermore, many companies will reinstate the payment of dividends after one of the most challenging years in history which will provide an additional underpin for patient investors. Equity returns have been very concentrated during 2020 and outside of the US, China and a handful of mega large information technology and other growth shares, returns have been disappointing, especially for those companies that have been severely affected by the pandemic. Going forward we expect the dispersion of returns from equities to broaden as the global economic recovery becomes more widespread with the support from policy makers. We will continue to invest in companies with strong balance sheets and secular growth drivers which will ultimately result in sustainable and predictable growth in profitability.

We have been selectively and opportunistically increasing exposure to investment and non-investment grade short dated bonds. This has and will continue to bolster returns, but at current spreads, we are not looking to add aggressively to credit. Cash weightings have been reduced and remain tactical in nature, ready to be and will be deployed as further investment opportunities arise.

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.