

Melville Douglas Income Fund Limited Enhanced Income (USD) Class

Fund information update at 28 February 2026

What is the fund's objective?

The objective of the Class Fund is to provide a return in excess of Barclays Benchmark Overnight USD Cash Index, whilst maintaining a high degree of capital preservation.

What does the fund invest in?

The Class invests primarily in quality short-dated fixed, floating and inflation linked interest bearing securities, and, where in the opinion of the Investment Manager, direct investment in direct securities will not achieve sufficient diversification to achieve the Class Fund's objective, the Class Fund may also invest in other collective investment schemes.

What possible risks are associated with this fund?

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

Risk rating

| | | | | |
|--------------|-------------------------|----------|-----------------------|------------|
| Conservative | Moderately conservative | Moderate | Moderately aggressive | Aggressive |
|--------------|-------------------------|----------|-----------------------|------------|

What is the suggested investment period for this fund?

Minimum period

| | | | | | |
|---------|----------|--------|---------|---------|---------|
| 1 Month | 6 Months | 1 Year | 3 Years | 5 Years | 7 Years |
|---------|----------|--------|---------|---------|---------|

Who should consider investing in this fund?

This fund is suitable for investors who are seeking an alternative to cash via a diversified portfolio of highly liquid money market and short dated fixed term investments.

Income

Dividends may be declared from time to time in accordance with the provisions of Companies (Jersey) Law, 1991 (as amended).

General information

| | | |
|---|--|----------------|
| Size (NAV) | \$ 74.31 million | |
| Peer group | EAA Fund USD Diversified Bond - Short Term | |
| Benchmark | Barclays Overnight USD Cash Index | |
| Section 65 | Approved | |
| This Class Fund is approved for sale in South Africa under Section 65 of the Collective Investment Schemes Control Act, 2002 (CISCA). | | |
| | Class B | Class C |
| Launch | 04 August 2023 | 04 August 2023 |
| ISIN number | JE00BFM12X20 | JE00BFM13S42 |
| SEDOL code | BFM12X2 | BFM13S4 |
| Bloomberg | MDIEIBU JY | MDIEICU JY |
| Minimum investment requirements - | | |
| New business | Open | Open |
| Initial | \$ 15,000 | \$ 2,500 |
| Subsequent | \$ 1,000 | \$ 1,000 |

What are the costs to invest in this fund?

Maximum charges

| | Class B | Class C |
|------------------------------|---------|---------|
| Initial fee (manager) | 0.000% | 0.000% |
| Initial fee (adviser) | 3.000% | 3.000% |
| Annual fee (manager) | 0.950% | 0.750% |
| Annual fee (adviser) | 0.300% | 0.000% |
| Performance fee | N/A | 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 2025

| | Class B | Class C |
|--------------------------------|------------|------------|
| Based on period from: | 04/08/2023 | 04/08/2023 |
| Total Expense | 1.03% | 0.83% |
| Transaction Costs | 0.00% | 0.00% |
| Total Investment Charge | 1.03% | 0.83% |
| 1 Year Total Expense | 1.03% | 0.83% |

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.

Who are the investment managers?

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.



Simon Bradbury

FCSI, Chartered Wealth Manager
Fixed Income and Currency Strategy

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.



Karl Holden

FCSI, Chartered Wealth Manager
Head of International Fixed Interest and Currency Strategy

Karl joined Standard Bank in 1991 and specialises in global fixed income and currency markets. He is lead manager of the Melville Douglas Bond Funds and also manages the investments of a number of high-net-worth clients. Karl is a Chartered Wealth Manager, Fellow of the Chartered Institute for Securities and Investment and holds the Private Client Investment Advice and Management Certificate. Karl is based in Jersey.

Melville Douglas Income Fund Limited Enhanced Income (USD) Class

Monthly update at 28 February 2026

Performance

Class B Launch: 04 August 2023

Class C Launch: 04 August 2023

Benchmark: Barclays Overnight USD Cash Index

| Returns (%) | 6m | 9m | 1yr | 2yrs | Launch |
|----------------|------|------|------|------|--------|
| Class B | | | | | |
| Class | 1.58 | 2.55 | 3.30 | 3.76 | 3.97 |
| Benchmark | 1.98 | 3.10 | 4.23 | 4.71 | 4.92 |
| Class C | | | | | |
| Class | 1.68 | 2.71 | 3.51 | 3.97 | 4.18 |

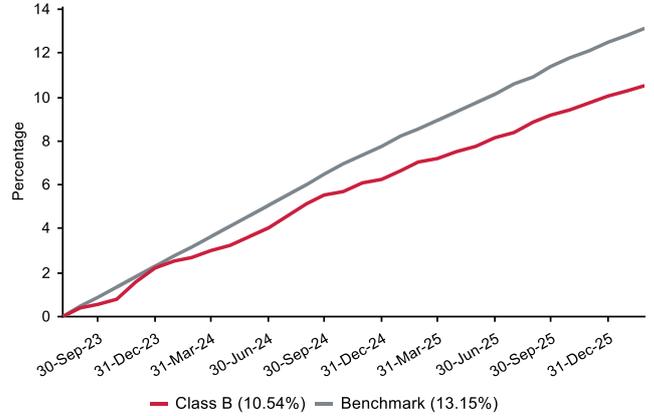
Returns (%) shown are cumulative for all periods shorter than or equal to 1 year and annualised for all periods greater than 1 year.

| Statistics (%) | 1yr | 2yrs | Launch |
|-----------------|------|------|--------|
| Class B | | | |
| Positive Months | 12 | 24 | 30 |
| Max Gain | 3.30 | 7.66 | 10.54 |
| Max Drawdown | - | - | -0.13 |
| Highest | 4.17 | 4.99 | 4.99 |
| Lowest | 3.30 | 3.30 | 3.30 |
| Class C | | | |
| Highest | 4.38 | 5.21 | 5.21 |
| Lowest | 3.51 | 3.51 | 3.51 |

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

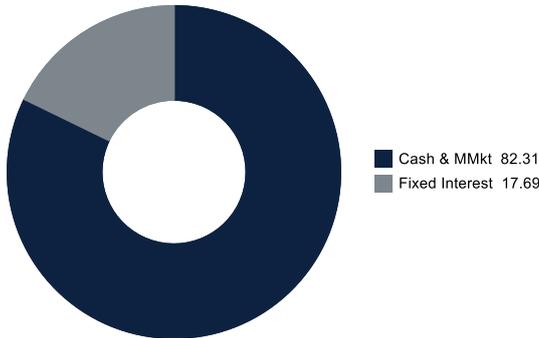
Lowest - this reflects the lowest 12 month return during the period.

Cumulative performance (%) from Launch



Holdings

Asset class (%)



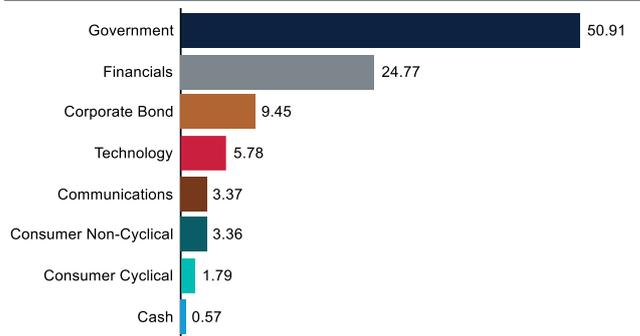
Top holdings (%)

| | |
|---|------|
| iShares \$ Short Dur Corp Bond UCITS ETF USD (Dist) | 7.67 |
| Asian Development Bank 1.00% 14/04/2026 | 7.53 |
| US TSY Bill 0% 19/05/2026 | 7.03 |
| KfW 5% 16/03/2026 | 6.75 |
| Intl Bank for Recon & Dev 0.875% 15/07/2026 | 6.68 |
| Republic of South Africa 4.875% 14/04/2026 | 6.48 |
| Inter-American Dev Bank 0.875% 20/04/2026 | 5.38 |
| Inter-American Dev Bank 4.5% 15/05/2026 | 4.06 |
| BNG Bank NV 3.625% 01/10/2026 | 4.05 |
| BNG Bank NV 0.875% 18/05/2026 | 4.03 |

Currency (%)



Category (%)



Melville Douglas Income Fund Limited

Enhanced Income (USD) Class



Quarterly update at 31 December 2025

Fund review

The objective of the Class Fund is to provide a return in excess of the Barclays Benchmark Overnight USD Cash Index, whilst seeking to maintain a high degree of capital preservation. Investment will primarily be in quality fixed, floating and inflation linked interest bearing securities, and, where in the opinion of the Investment Manager, direct investment in direct securities will not achieve sufficient diversification to achieve the Class Fund's objective, the fund may also invest in other collective investment schemes.

The Fund performed in line with the benchmark over the quarter.

Market overview

As 2025 drew to a close, it became clear that a number of major central banks are starting to tilt away from the prospect of lower interest rates, supporting the view that longer-dated yields in many developed economies may struggle to fall further, if at all. The European Central Bank (ECB) seem 'comfortable' that the next move will be a hike (although not immediately), the Bank of Japan (BoJ) are clearly in tightening mode and bond markets in Australia, New Zealand and Sweden are beginning to price a more hawkish monetary policy outlook. This concurs with our view that, looking forward, many global central banks are going to be dealing with the 'new norm', namely inflation at, or most likely above target levels. Much of course can change but it does appear that the prolonged period of significant disinflation between the global financial crisis and the pandemic has ended as deglobalisation, in its many forms, takes centre stage.

This outlook may be met with disappointment by some investors seeking further material short-term 'capital' upside from global bond markets following a positive 2025, but our take is more constructive. Consistent long-term returns are achieved by compounding and the higher the yield, the higher the return. Put another way, another catastrophic 'risk off' event akin to the pandemic would undoubtedly drive government yields down and bond prices materially higher however once concluded, all gains would then be in the rear-view mirror, and a period of negative returns (think 2021 and 2022) would ensue. Conclusion, stable 'above inflation' yields are a much more palatable proposition for investors seeking consistent risk-adjusted income returns.

Looking ahead

Whilst the US Federal Reserve (Fed) cut interest rates by 25 basis points for a third straight meeting in December we expect the avoidance of a recession in 2026 and persistent 'above target' inflation will put a floor on how much further the Fed can ease monetary policy in the current cycle. Our forecast 'terminal' interest rate is broadly in line with the Fed's 'Dot Plot' at or around 3.25% which we expect to be reached around mid-year. Thereafter, a 'pause' is likely during which market attention may shift towards the timing of the first hike. Clearly, much can happen to change this outlook but currently; easier financial conditions (interest rate cuts since Q3 2024), fiscal support (via One Big Beautiful Bill), less angst/uncertainty over tariffs/trade and finally, a mechanical rebound in growth from the US government shutdown all point towards a resilient growth backdrop into 2026. This view may change if the employment market, which is exhibiting some signs of vulnerability, weakens sharply but it is not yet at levels consistent with a material slowdown in economic growth. Clearly, the Artificial Intelligence phenomena is also aligned to this story given its capability to materially impact the employment market, although the expected trade-off from this is a significant boost to productivity.

Moderately falling interest rates in an environment of high (above target) inflation and broadly stable growth does not necessarily translate into lower US Treasury yields at the longer end of the curve and for this reason, we expect 10-year yields to continue to trade around 4% over the next twelve months. However, short yields, sub-1 year which are more sensitive to interest rate movements are expected to fall further in line with interest rate cuts from the Fed which should lead to a steepening of the money market curve, something which we have not seen for a number of quarters. The defensive duration positioning has been retained over the quarter, and indeed for the year due to the negative yield differential out to five-years on the curve relative to the Fund's cash benchmark. The exposure to investment grade credit has been increased throughout the year, and whilst yield spreads are historically tight, the demand for credit continues which should, barring a risk off event, keep yield spreads anchored. The Manager will look to increase exposure to investment grade credit as and when 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.

Change in allocation of the fund over the quarter

| Asset type | Q4 2025 | Q3 2025 | Change |
|----------------|---------|---------|--------|
| Cash & MMkt | 84.65 | 87.11 | -2.46 |
| Fixed Interest | 15.35 | 12.89 | 2.46 |

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

| Class | Type | Price (\$) | Shares | NAV (\$) |
|-------|--------|------------|-----------|------------|
| B | Retail | 11.00 | 26,486.56 | 291,398.35 |
| C | Retail | 11.05 | 47,591.52 | 526,121.71 |

All data as at 31 December 2025.

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

Melville Douglas Income Fund Limited

Enhanced Income (USD) Class



Important information at 28 February 2026

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

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

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

Prices are calculated and published on each working day, these prices are available on the Manager's website (www.stanlib.com). This portfolio is valued at 23h59 (GMT). Forward pricing is used. Investments and repurchases will receive the price of the next day if received prior to 14h30 (GMT). Settlement must be made in the relevant class fund's base currency. This portfolio is permitted to invest in foreign securities. Should the portfolio include any foreign securities these could expose the portfolio to any of the following risks: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information.

All return figures quoted are in USD, as at 28 February 2026, based on data sourced from Morningstar.

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

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

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

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

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

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

Contact details

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

Fund Directors

M.Laws, M.Farrow, D.Jardine and O.Sonnbichler.

Trustee/Custodian

Apex Financial Services (Corporate) Limited
Reg. No. 702
IFC 5, JE1 1ST
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

RSA Representative

STANLIB Collective Investments (RF) (Pty) Limited
Reg. No. 1969/003468/07
17 Melrose Boulevard, Melrose Arch, 2196
Telephone: 0860 123 003