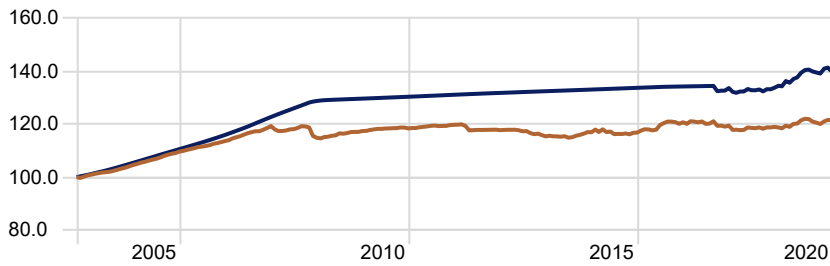


Melville Douglas Income Fund Ltd

Sterling Class

Minimum Disclosure Document as at 31 March 2020

Investment Growth***



— Melville Douglas IFL GBP Income Acc A — 80% UK Gvt 1-10 yrs, 20% UK Corporate

Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
Melville Douglas IFL GBP Income Acc A	-0.1	1.2	1.7	0.1	0.6	0.3
80% UK Gvt 1-10 yrs, 20% UK Corporate	-1.0	0.6	2.6	1.4	1.0	0.7

Risk Matrix *

	Class A	Benchmark
Information Ratio (arith)	-1.0	
Std Dev	2.0	2.3
Sharpe Ratio **	0.1	0.2

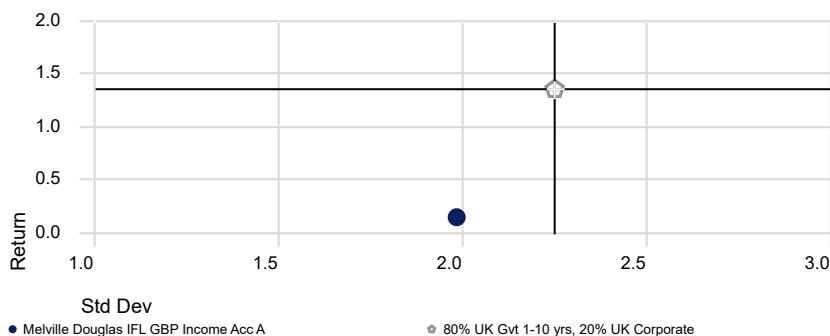
Highest & Lowest 12 Month Rolling Return

Highest 12 Month Rolling Return	5.00
Lowest 12 Month Rolling Return	-3.71

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	0.8	0.4	-0.1										
2019	-0.2	-0.3	0.9	-0.4	0.9	0.1	1.0	0.4	-0.1	-0.8	-0.3	-0.4	0.9
2018	-1.4	0.1	-0.1	0.1	0.8	-0.2	-0.1	0.3	-0.4	0.4	0.0	0.2	-0.4
2017	-0.5	0.8	-0.1	-0.2	0.3	-0.8	0.1	0.7	-1.4	0.1	-0.3	0.3	-1.0
2016	0.6	0.4	-0.1	-0.3	0.2	1.5	0.6	0.4	0.0	-0.2	-0.5	0.5	3.3
2015	0.9	-0.8	0.8	-0.9	0.2	-0.8	0.1	0.0	0.2	-0.3	0.5	0.1	-0.1

Risk-Reward *



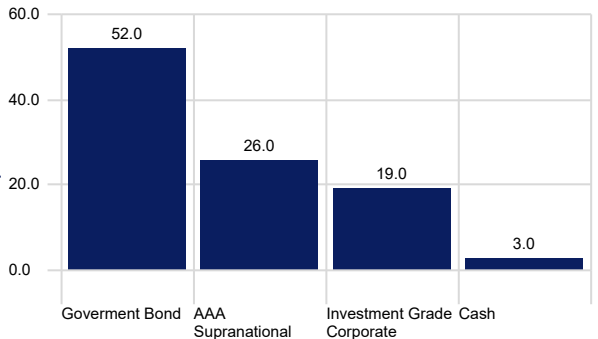
● Melville Douglas IFL GBP Income Acc A

● 80% UK Gvt 1-10 yrs, 20% UK Corporate

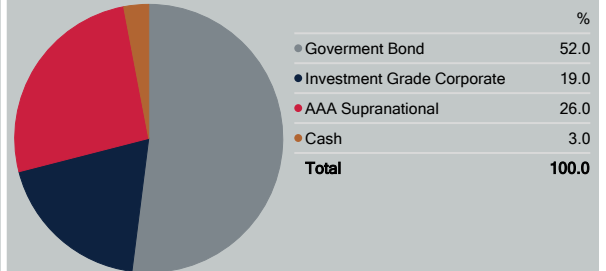
Investment Objective

To provide a return in excess of the benchmark in Sterling, whilst maintaining a high degree of capital preservation by investing in quality fixed interest securities, selected collective investment vehicles, money market instruments and cash in order to maximise investment returns in Sterling.

Security Sector



Asset Allocation



Operations

Name	Melville Douglas IFL GBP Income Acc A
Month End Price (Current Class)	GBP 121.1
Total Fund Value	GBP 11.4 Million

Fund Managers

Karl Holden

Karl specialises in global fixed income and currency markets. He is also a co-manager of the Melville Douglas Balanced Fund. 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.

Simon Bradbury

Simon has built up extensive knowledge of global wealth management solutions, specialising in international fixed income and currency markets, and is the co-manager of the Melville Douglas Income and Enhanced Income funds. Simon is a Chartered Fellow of the Chartered Institute for Securities and Investment, and has been awarded Chartered Wealth Manager status.

Bernard Drotschle

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

Portfolio Risk

Not to be distributed outside of Jersey & South Africa

LOW

MEDIUM

HIGH

* Data is displayed over a 3 year rolling period

** Risk free rate = US Treasury T-Bill 3 Months

*** Class A 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. The benchmark of the fund at launch was 100% GBP Libor Overnight. This was changed on 31 August 2017 to 80% UK Govt 1-10 years/ 20% UK Corporate Bond

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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, and O.Sonnichler
Registered Office	47-49 La Motte Street, St Helier, Jersey
Publication Date	20 April 2020
Compliance No.	13MO46

Share Class ISIN

Class A	JE00B4ZCW915
Class B	JE00BF1CX551

Minimum Investment

Class A	Closed to new investments
Class B	GBP 1 500

Launch Date

Class A	25 September 2003
Class B	01 September 2017

Fund Costs- 12 months

Fee Class	Management Fee*	TER	TC	TIC
Class A	0.95%	1.05%	0.02%	1.09%

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 A	0.95%	1.06%	0.02%	1.08%

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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www.melvilledouglas.co.za

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 Income Fund Limited are regulated by the Jersey Financial Services Commission.

Prices are calculated and published daily and are available from the Manager on request.

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

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

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

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

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Quarterly Commentary

Fund Review

The objective of the Class Fund is to provide a return in excess of its benchmark in Sterling, whilst seeking to maintain a high degree of capital preservation, by investing primarily in quality global fixed interest securities, and, where in the opinion of the Investment Manager, direct investment in fixed interest securities will not achieve sufficient diversification to achieve the Class Fund's objective, in other collective schemes, money market instruments and cash that will maximise total returns in Sterling.

The Fund's performance for the period was +1.20% versus the Fund's benchmark return of +0.6%.

Market Overview

The reaction from safe-haven UK government bonds to the current crisis has been both swift and violent with 10-year benchmark yields falling by some 0.46% in the quarter to 0.36%. At current levels it is difficult to predict if the UK bond market has fully factored in the upcoming tsunami of weak economic data which is set to shock the economy into a very instant and deep recession. However, it is important to remember that fixed income markets are barometers for the future and the actions of the Bank of England should go some way to cushion the blow.

Looking Ahead

In the UK, the Monetary Policy Committee (MPC) joined other major central banks easing monetary policy with two emergency interest rate cuts to a record low of 0.10%. The first easing of 0.50% was sanctioned by outgoing governor Mark Carney, the second cut of 0.15% by incoming governor Andrew Bailey. In addition, the MPC also agreed to re-start QE to the tune of a further £200 billion to take the target to £645 billion. This will be predominantly via purchases of Gilts, but will also include a corporate bond purchase facility, expected to be substantially larger than the previous programme implemented following the BREXIT referendum in 2016. The government has also embarked on a number of fiscal measures aimed at supporting small and mid-sized companies to the tune of £330bn, however, with the UK currently under "lock down" we would expect this figure to rise and corresponding Gilt issuance is expected to rise proportionally. UK Gilts have rallied strongly in the quarter, particularly short-dated issues where yields at one stage dipped into negative territory, something usually associated with German Bund yields. With yields now at such extreme levels we see no value in selling existing holdings to extend duration for what amounts to very meagre pick-up in yield returns.

Sterling fell prey to selling pressure in the quarter, at one point trading as low 1.15 against the US Dollar, a level not seen since 1984. The UK entered this crisis in the unenviable position of battling with sub-par growth and a host of uncertainties surrounding the next stage of BREXIT negotiations. This was further compounded by the market's negative view on the apparent lack of initial response from the government to take action to prevent the spread of COVID-19. On a purchasing parity basis Sterling still appears undervalued and subsequently should offer solid long term value but we have retained an element of foreign currency exposure within the Fund.

Investment grade (IG) corporate debt spreads across the whole rating spectrum have widened in line with the sell-off in risk assets. Encouragingly, in an effort to support the credit markets, the US Federal Reserve have introduced the Secondary Market Corporate Credit Facility (SMCCF) with which they will purchase both investment grade bonds and for the first time, US listed exchange traded funds (ETF's). Again, just one example of the extraordinary measures that central banks are enacting to support the financial markets. Spreads have yet to deteriorate to levels experienced in the credit crunch and it remains uncertain how high they will climb in the current environment but we are reminded that early 2009 (peak credit crisis spreads) represented an incredible buying opportunity in this investment space. For now, the sheer scale of uncertainty is preventing us from increasing allocations but the opportunity may present itself in the coming weeks or months. The Fund holds a neutral/in line allocation to IG debt which has not been exempt from the recent disturbance, however, the majority of the exposure is directed at the shorter-end of the maturity spectrum.

High yield bond markets have been far from immune to the swift sell-off in risk assets and spreads have widened both significantly and sharply causing periods of liquidity stress as, at times, the exit door has struggled to take the rush. High yield bonds have fallen abruptly with spread differentials on US Dollar 10-year issues widening by a staggering 552 basis points since the start of the year. The sell-off has been extreme but we are minded that at current levels the spread still remains some 840 basis points below levels experienced at the height of the credit crunch. The Fund currently holds no exposure to High yield debt but it is an area of the market we continue to monitor closely and may begin to build a weighting if the economic outlook appears to be improving.

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.