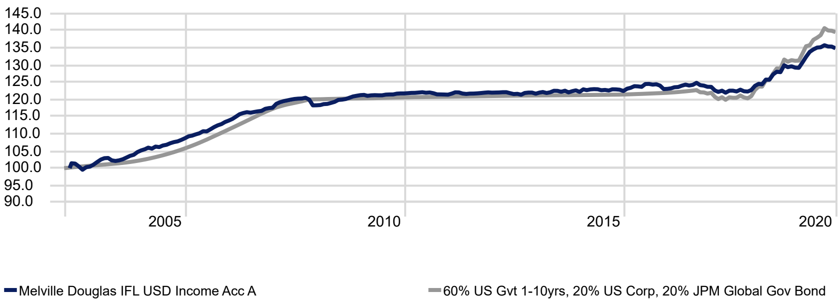
Melville Douglas Income Fund Ltd
US Dollar Class (the "Fund")

Minimum Disclosure Document as at 31 October 2020

MelvilleDouglas
A Member of Standard Bank Group

Investment Growth***



Trailing Returns

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
Melville Douglas IFL USD Income Acc A	-0.4	4.4	4.0	2.8	1.9	1.0
Melville Douglas IFL USD Income Acc B	-0.4	4.2	3.8			
Melville Douglas IFL USD Income Acc C	-0.3					
60% US Gvt 1-10yrs, 20% US Corp, 20% JPM Global Gov Bond	-0.3	6.3	6.2	4.6	2.8	1.5

Risk Matrix *

	Class A	Benchmark
Information Ratio (arith)	-1.6	
Std Dev	2.0	2.7
Sharpe Ratio **	0.0	0.1

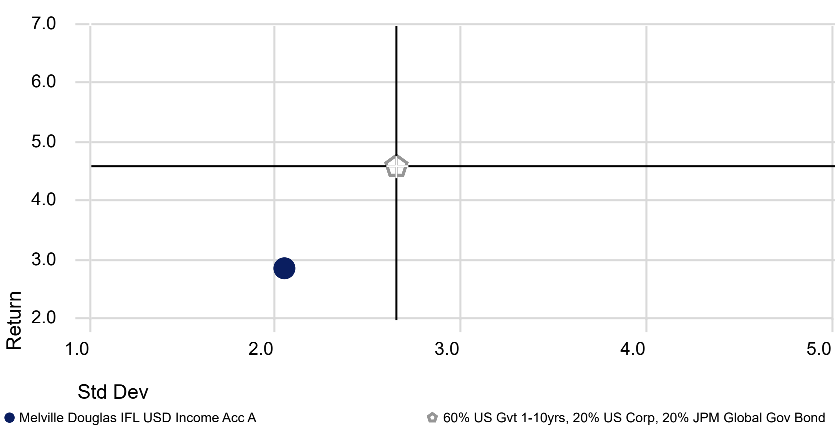
Highest & Lowest 12 Month Rolling Return

Highest 12 Month Rolling Return	5.78
Lowest 12 Month Rolling Return	-1.65

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	1.2	1.2	1.1	0.5	0.4	0.1	0.4	-0.3	0.0	-0.4			
2019	0.5	-0.1	1.1	0.0	1.2	0.6	-0.1	1.6	-0.4	0.2	-0.3	-0.1	4.2
2018	-0.8	-0.3	0.3	-0.5	0.5	0.0	-0.2	0.4	-0.4	-0.1	0.3	1.0	0.2
2017	0.1	0.3	0.1	0.3	0.3	-0.2	0.2	0.5	-0.5	-0.1	-0.3	0.0	0.5
2016	0.6	0.2	0.4	0.0	-0.1	0.7	0.0	-0.2	0.1	-0.3	-0.8	0.0	0.5
2015	0.6	-0.2	0.2	0.1	0.0	-0.2	0.1	-0.1	0.3	0.0	-0.1	-0.3	0.2

Risk-Reward *

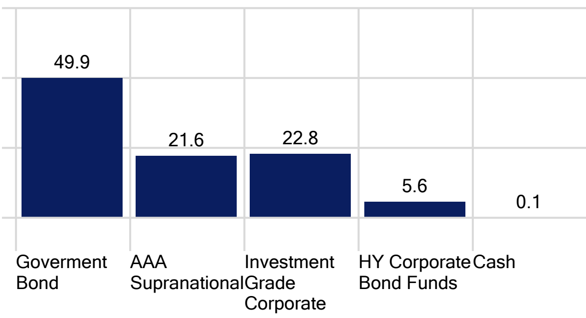


Not to be distributed outside of Jersey and South Africa

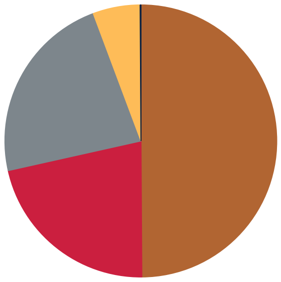
Investment Objective

To provide a return in excess of the benchmark in US Dollars, 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 US Dollars.

Supplementary Data



Asset Allocation



	%
Goverment Bond	49.9
Investment Grade Corporate	21.6
AAA Supranational	22.8
HY Corporate Bond Funds	5.6
Cash	0.1
Total	**100.0**

Operations

Name	Melville Douglas IFL USD Income Acc A
Month End Price (Current Class)	$179.44
Total Fund Value	$71.69 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 Drotschie
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

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% USD Libor Overnight. This was changed on 31 August 2017 to 80% US Govt 1-10 years/ 20% US Corporate Bond
The benchmark was changed again on 1 May 2020 to 60% US Govt 1-10 years/ 20% US Corporate Bond, 20% JPM Global Gov Bond

Source: Morningstar Direct, Melville Douglas Investment Management

Melville Douglas Income Fund Ltd
US Dollar Class

Minimum Disclosure Document as at 31 October 2020

MelvilleDouglas
A Member of Standard Bank Group

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.Sonnbichler & R Stewart
Registered Office	47-49 La Motte Street, St Helier, Jersey
Publication Date	24 November 2020
Compliance No.	0695LN

Share Class ISIN

Class A	JE00B54RMC79
Class B	JE00BF1CWN63
Class C	JE00BK987R02

Minimum Investment

Class A	Closed to new investments
Class B	USD 2 500
Class C	USD 2 500

Launch Date

Class A	March 2003
Class B	01 September 2017
Class C	02 June 2020

Fund Costs- 12 months

Fee Class	Current Management Fee*	TER	TC	TIC
Class A	0.95%	1.04%	0.00%	1.06%
Class B	1.05%	1.23%	0.00%	1.26%
Class C	0.75%	0.85%	0.00%	0.87%

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	Current Management Fee*	TER	TC	TIC
Class A	0.95%	1.08%	0.00%	1.10%
Class B	1.05%	1.25%	0.00%	1.28%
Class C	0.75%	0.85%	0.00%	0.87%

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

8th Floor West Wing, 30 Baker Street, Rosebank, 2196. PO Box 411184, Craighall 2024, South Africa

Telephone:+27 (11) 721 7964 Fax: +27(0)86202 7235

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.

Melville Douglas Income Fund Ltd
US Dollar Class

Minimum Disclosure Document as at 30 September 2020

Quarterly Commentary

Fund Review

The objective of the Class Fund is to provide a return in excess of its benchmark in US Dollars, 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 US Dollars. The Fund's performance for the period was +0.14% versus the Fund's benchmark return of +0.94%.

Market Overview

Whilst not absent some interim volatility, point to point, US government bond yields remained almost unchanged in the quarter. COVID-19 news flow continues to dominate sentiment and whilst optimism around a vaccine appears to be increasing, a resurgence in infection rates is clearly a very negative headwind for growth and continues to cap yield levels. Economic data releases in the period have been generally upbeat and ahead of forecasts but we remain cognisant that activity in the rear-view mirror does not guarantee a lasting theme – at least at the current pace, which remains flattered by recoveries from beaten down base levels. Nevertheless, we must not ignore the positives and evidence clearly demonstrates that the US economy has the will to recover despite the ongoing pandemic, albeit heavily assisted by ongoing and robust stimulus measures by the Federal Reserve (Fed). Key Purchasing Manager Indices (PMI's) for both services and manufacturing have rebounded sharply back into expansionary territory, the employment market is improving, and the housing market appears almost nonchalant about the pandemic. The easing in lockdowns was always going to result in a decent rebound in economic indicators and the Fed will wish to keep this momentum going for as long as possible to ease concerns of a dreaded 'double-dip recession' when the dust finally settles.

Looking Ahead

The Fed recently tweaked their mandate with regards to inflation and will now seek that it 'averages 2% over time'. This has major implications for the interest rate outlook, effectively signalling that rates will remain unchanged even if faced with strong economic growth and inflation rising above target. On the face of it, an ongoing 'lower for longer' message should be a positive for government bonds, but we are minded of two things. Firstly, the steep decline in yields in the first quarter did much to price-in this outlook and explains why the market has remained in a narrow range for the past six months. Secondly, rising inflation is not a positive for longer-dated bonds where yields are already close to historic lows and negative in 'real' inflation-adjusted terms. So for now, we are left with something of a stalemate in that near-zero interest rates and the ongoing pandemic should, in theory, add to the attractiveness of the government bond market but yields at current depressed levels allow little to no safety net in the event of higher inflation.

Taking a medium to long-term view, it remains difficult for us to find value in government bond yields at current levels. The Fed will keep their foot on the stimulus pedal for as long as it takes as its debt load can only be reduced by growth, inflation or both. The inordinate amount of money supply creation this year has every chance of resulting in higher inflation in 2021 and if vaccine hopes becomes reality, a 'risk on' mood should pervade. Blue sky thinking perhaps but if it comes to fruition and the economy successfully navigates this terrible episode then attention will quickly turn to an eventual easing in central bank stimulus measures. This could be particularly damaging to government bond yields which at current levels are certainly not priced for this scenario. For these reasons, the Fund remain defensively positioned with respect to duration as only marginally higher yields on longer-dated debt are not nearly enough compensation for the added risk.

The rollercoaster ride in IG and HY corporate bond spreads moderated somewhat in the third quarter but even allowing for some recent weakness, both ended the period tighter. The recovery in these markets has been dramatic following sharp capital declines in March and spreads are edging closer to pre-COVID levels which certainly doesn't appear to make them look cheap. However, the environment for both taking risk and yield hunting remains supportive. Central bank initiatives have increased the allure of risk assets and those that can pay an income stream over and above comparable government debt are greatly benefitting as the world remains starved of yield – an environment that will be with us for some time yet.

Without doubt, there will be significant hurdles for economies in the coming quarters but for now, there remains little chance of policy mistakes (i.e. interest rates are most definitely not moving higher), central banks have and will continue to provide an abundance of liquidity and although bouncing off low bases, economic numbers continue to indicate that growth conditions are rebounding. This goldilocks environment could end very quickly if mass lockdowns are reintroduced, but a better understanding of the pandemic puts the risk of this low and perhaps more importantly, central banks have clearly demonstrated that they will do 'whatever it takes'. One could argue that the global marketplace's reliance and in many respects complacency towards central bank support is possibly creating a bigger issue down the road, and this is entirely plausible. However, the past six months has clearly demonstrated the pitfalls of being too risk averse in an environment where the central bank 'has your back'. The Fund continues to hold an overweight allocation IG debt and the manager has been building on the exposure to HY debt which currently stands at approximately 5.5%.

The US Dollar has posted a negative quarter with virtually all of the downside attributed to the month of July. Ultimately, the currency was due a period of consolidation but where do we see direction from here? Firstly, it is important to appreciate that the currency, in general terms, is only down approximately 2.5% year-to-date and in fact, the relative outperformance of the US bond market versus the German bond market (as an example) has more than compensated for the currency's depreciation against the Euro. Without doubt, the outlook for the US Dollar is negative if other developed economies (Eurozone, UK etc.) enjoy periods of economic 'catch-up' but we are not currently seeing enough evidence of this. The US still enjoys a solid advantage in this arena and is backed up by a central bank that seems willing to pull out all the stops. The US Dollar has defied the 'demise of the dollar' story time and again, and whilst it may well be different this time, it will not be a one-way street and (as above) it is crucial to remember the performance and yield (often negative) of the asset class underlying each respective alternative currency. The Fund retains its maximum overweight allocation to US Dollars - for now.

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.