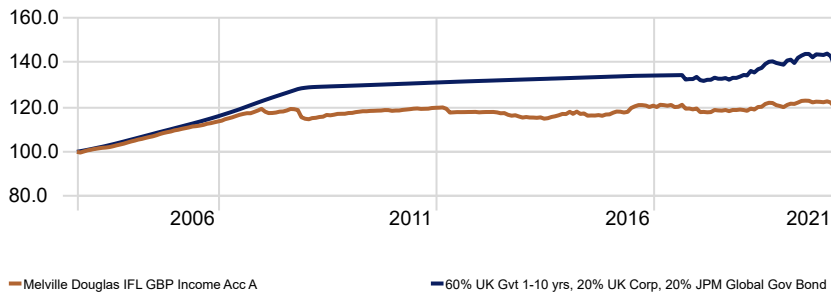


Melville Douglas Income Fund Ltd Sterling Class

Minimum Disclosure Document as at 28 February 2021

Investment Growth***



Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
Melville Douglas IFL GBP Income Acc A	-1.5	-2.0	-1.1	0.7	0.4	0.1
Melville Douglas IFL GBP Income Acc B	-1.5	-2.0				
Melville Douglas IFL GBP Income Acc C	-1.5	-1.9				
Melville Douglas IFL GBP Income Acc X	-1.5	-1.8	-0.3			
60% UK Gvt 1-10 yrs, 20% UK Corp, 20% JPM Global Gov Bond	-2.6	-3.4	-1.6	1.8	0.8	0.6

Risk Matrix *

	Class A	Benchmark
Information Ratio (arith)	-0.8	
Std Dev	1.8	2.8
Sharpe Ratio **	0.2	0.3

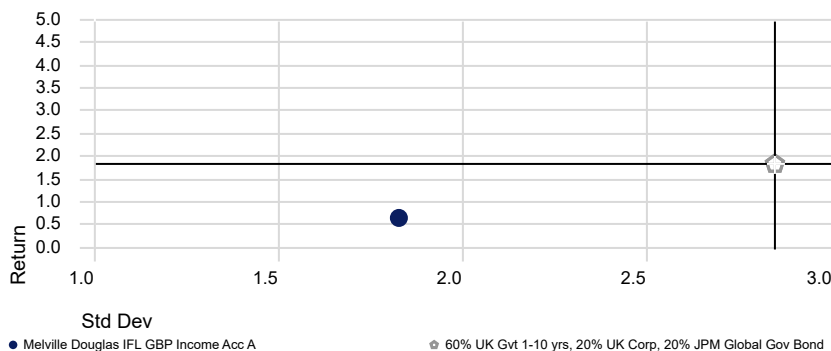
Highest & Lowest 12 Month Rolling Return

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
2021	-0.4	-1.5											
2020	0.8	0.4	-0.1	0.5	0.6	0.1	-0.1	-0.6	0.3	-0.1	-0.1	0.3	2.2
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

Risk-Reward *

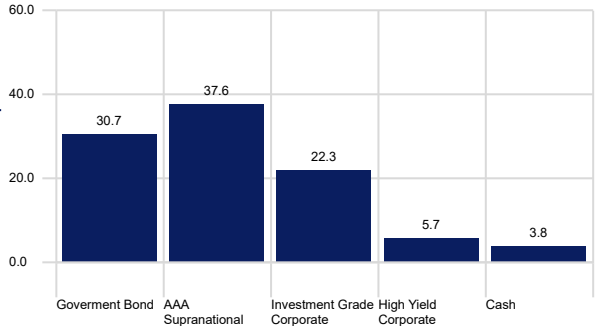


Not to be distributed outside of Jersey & South Africa

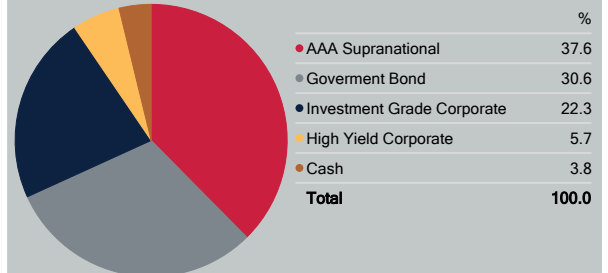
Investment Objective

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 119.88
Total Fund Value	GBP 16.77 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% GBP Libor Overnight. This was changed on 31 August 2017 to 80% GBP Govt 1-10 years/ 20% UK Corporate Bond

Benchmark changed on the 1 May 2020 to 60% UK Gvt 1-10 yrs, 20% UK Corp, 20% JPM Global Gov Bond

Source: Morningstar Direct, Melville Douglas Investment Management

Melville Douglas Income Fund Ltd

Sterling Class

Minimum Disclosure Document as at 28 February 2021



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 March 2021
Compliance No.	L947N3

Share Class ISIN

Class A	JE00B4ZCW915
Class B	JE00BF1CX551
Class C	JE00BK987S19
Class X	JE00BF1CX668

Minimum Investment

Class A	Closed to new investments
Class B	GBP 1 500
Class C	GBP 1 500
Class X	GBP 1 000 000

Launch Date

Class A	25 September 2003
Class B	01 September 2017
Class C	19 September 2020
Class X	24 August 2018

Fund Costs- 12 months

Fee Class	Management Fee*	TER	TC	TIC
Class A	0.95%	1.04%	0.00%	1.07%
Class B**	1.05%	1.16%	0.00%	1.19%
Class C	0.75%	0.85%	0.00%	0.87%
Class X	0.15%	0.25%	0.00%	0.27%

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.

**Class B management fee includes 0.30% rebate payable to adviser

Fund Costs- 36 months

Fee Class	Management Fee*	TER	TC	TIC
Class A	0.95%	1.08%	0.00%	1.10%
Class B**	1.05%	1.16%	0.00%	1.19%
Class C	0.75%	0.85%	0.00%	0.87%
Class X	0.15%	0.25%	0.00%	0.27%

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.

**Class B management fee includes 0.30% rebate payable to adviser

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.

Melville Douglas Income Fund Ltd

Sterling Class



Minimum Disclosure Document as at 28 February 2021

Quarterly Commentary (31 December 2020)

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 +0.12% (A Class) and +0.33% (X Class) versus the Fund's benchmark return of +0.23%. For the full year, the Fund delivered returns of +2.16% (A Class) and +2.98% (X Class).

Market Overview

UK sovereign bond yields fell sharply throughout 2020 with all Gilts maturing in six years or less now trading on negative yields. The continued 'will they, won't they' delays on a final BREXIT deal together with the spread of a new "mutated" coronavirus strain understandably led to demand for safe-haven government bonds. The market is pricing in a bleak picture for the UK economy, suggesting rates will remain lower for longer, something we fully subscribe to. However, whilst UK PLC has clear headwinds, after a circa 11% contraction in 2020 we expect the economy to expand in the year ahead although the timing and pace will be at the mercy of the pandemic and more importantly, the vaccine deployment.

Looking Ahead

There is no doubt that the impact of the recent lockdowns will require further monetary and fiscal stimulus, and whilst the recent announcement from the Chancellor of a £4.6 billion emergency support package together with the extension of wage support via the Furlough scheme by one month to end of April will provide some relief, we doubt this will be enough to support those sectors which have been hit the hardest, i.e. the retail and hospitality sectors. While the Monetary Policy Committee (MPC) have little room left to cut rates from the record low of 0.10%, one of the monetary tools they do have at their disposal is to implement negative rate policy. The short end of the Gilt market has been pricing in the prospect of negative rates, with the two year benchmark Gilt recently trading at an all-time low of a negative - 0.17%. However, as we have seen in Europe, negative rates have had little effect in stimulating the economy, and we doubt that this will be the best option to provide economic stimulus in the UK. What we do expect if economic conditions deteriorate further is the MPC to increase their quantitative easing (QE) program, via an increase in government and corporate bond purchases as well as further fiscal stimulus from the Government. The UK public finances have risen to over £2 trillion in 2020, which equates to almost 100% of GDP as the Government has embarked on heightened fiscal support through the pandemic, increasing spending by 30%. However whilst there is no immediate concern over the level of government borrowing with interest rates at record low levels, the Chancellor has already suggested that tax increases will be required in order to reduce the government's borrowing. With yields either negative or close to historic lows, our defensive 'underweight duration' bias remains – the yield advantage on longer-dated bonds is negligible and vastly outweighed by potential capital downside risk. **We expect a more attractive buying opportunity, although this may not present itself until the second half of the year.**

The Fund has retained a moderately overweight allocation to investment grade and high yield corporate credit. However, we are cognisant that these markets have rallied strongly since late March to the extent that spreads on both are now either at or close to pre-pandemic levels. The level of forward looking optimism, aided by an ongoing search for yield and central bank support justifies these moves, to a level. Whilst we do anticipate ongoing demand for these higher yielding markets, further significant upside may be limited from current levels if markets begin to price in diminishing central bank support via quantitative easing. As with all 'risk' markets the direction of travel will not be 'one way' and whilst we are happy to maintain our current allocations, we will aim to increase at more attractive levels.

Sterling had a strong run into year-end thanks to a mix of broad US Dollar weakness and positive news on the BREXIT trade deal. At current levels it appears much of the good news may be priced-in but we are not discounting further short-term gains. Years of wrangling over BREXIT and the COVID-19 pandemic have taken their toll on the UK economy and whilst we are more optimistic for the year ahead, there is a big mountain to climb to recoup much lost output. Interest rates are certainly staying put and speculation remains that the Bank of England may consider taking them negative, although this is not our base case. **The Fund has remained moderately overweight base currency and we will continue with this strategy unless it becomes apparent that the currency has run ahead of economic fundamentals.**

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.