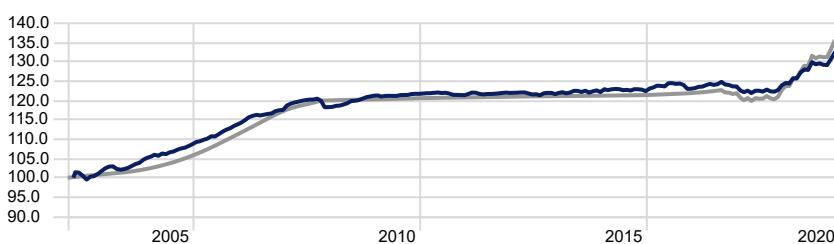


Melville Douglas Income Fund Ltd

US Dollar Class (the "Fund")

Minimum Disclosure Document as at 31 March 2020

Investment Growth***



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

Trailing Returns

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
Melville Douglas IFL USD Income Acc A	1.1	3.6	6.4	2.7	1.7	1.0
Melville Douglas IFL USD Income Acc B	1.1	3.5	6.1			
80% US Gvt 1-10yrs, 20% US Corporate	0.3	3.5	8.2	3.6	2.3	1.2

Risk Matrix *

	Class A	Benchmark
Information Ratio (arith)	-1.0	
Std Dev	2.1	2.5
Sharpe Ratio **	0.2	0.3

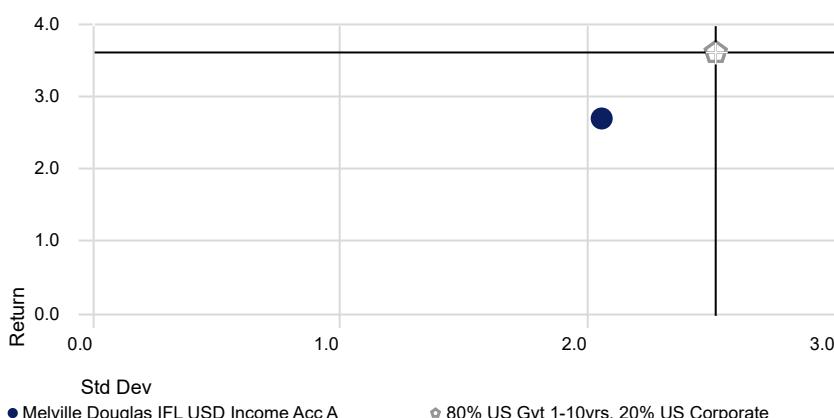
Highest & Lowest 12 Month Rolling Return

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										
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 *

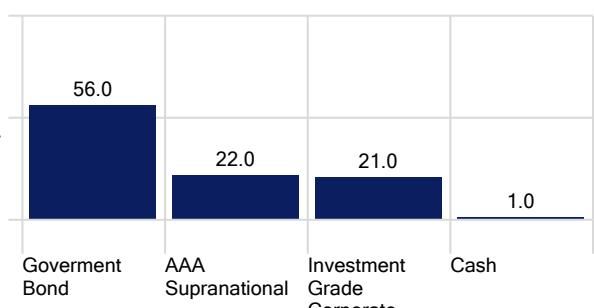


Not to be distributed outside of Jersey and South Africa

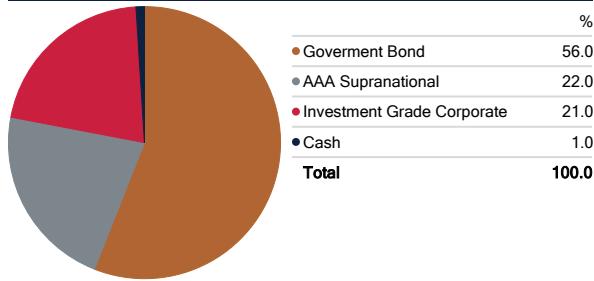
Investment Objective

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



Operations

Name	Melville Douglas IFL USD Income Acc A
Month End Price (Current Class)	\$178.1
Total Fund Value	\$71.8 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 Drotchie

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



* 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

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		Fund Costs- 12 months									
		Fee Class	Current Management Fee*	TER	TC	TIC					
Manager	STANLIB Fund Managers Jersey Limited	Class A	0.95%	1.04%	0.01%	1.07%					
Investment Manager	Melville Douglas Investment Management (Pty) Ltd	Class B	1.25%	1.34%	0.01%	1.37%					
TER = (Total Expense Ratio), TC = (Transaction Costs), TIC = (Total Investment Cost ; TER + TC = TIC)											
Custodian	Apex Financial Services (Corporate) Limited	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).									
Auditors	PwC, Ireland	* Management Fee includes fee payable to Manco									
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	JE00B54RMC79										
Class B	JE00BF1CWN63										
Minimum Investment											
Class A	Closed to new investments										
Class B	USD 2 500										
Launch Date											
Class A	March 2003										
Class B	01 September 2017										
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.

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 +3.60% versus the Fund's benchmark return of +3.50%.

Market Overview

The reaction from safe-haven US government bonds to the current crisis has been both swift and violent with 10-year benchmark yields falling by some 1.25% in the quarter to 0.67%. At current levels it is difficult to predict if the US 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 US Federal Reserve and government have been immediate, with interest rates rapidly cut by 1.5% to 0.25%, an initial stimulus package amounting to almost 10% of GDP and a commitment to 'open-ended' quantitative easing.

Looking Ahead

It is virtually certain that more fiscal stimulus will be required to offset the economic damage and we can expect a tidal wave of new government bond issuance in the coming months. Rumours of 25 and 50 year bonds may go some way to counteract the natural reaction for longer-dated government yields to slide further. Ultimately, the short to medium term direction of the bond market will be determined not by the severity of the weakness in upcoming key economic indicators, rather, the shape of the coronavirus infection and mortality curves, which will ultimately define the timing and subsequent pace of the recovery, which may be particularly virulent. In the meantime, we expect policy makers and governments around the world to stay true to their words and 'do whatever it takes'. The Fund continues to hold a duration strategy of around 3.6 years and we are reluctant to extend maturities after such a severe drop in yields to levels which are deeply negative in 'real' inflation adjusted terms and offer little to no long-term value.

The future is likely to behold more contenders for the title of 'worlds reserve currency' but for now it remains the US Dollar and the rush for liquidity has seen the currency appreciate, on a trade weighted basis, some 2.76% year-to-date. Fluctuations in global currency markets are currently partly influenced by the corresponding government's measures to contain the coronavirus, however economically damaging they may be. However, one also has to assess the relative strength of each economy as they entered this crisis in an attempt to weigh levels of resilience to the shock and potential speed of recovery when the worst has passed. Using this admittedly simple thought process, it cannot be argued that US economy was the leader of the pack in the developed category and as such, had retained some monetary firepower even after the three interest rate cuts sanctioned in 2019. Whilst favourable yield and interest differentials versus many peers have narrowed in recent weeks, the currency is now exhibiting a very strong positive correlation to 'risk off' episodes and whilst optimistic that the global economy will ultimately survive the current uncomfortable environment, it would be remiss not to expect more volatility in the weeks and months ahead. The Fund remains overweight the US Dollar and is likely to remain so until we see some light at the end of this socially and economically testing tunnel.

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.