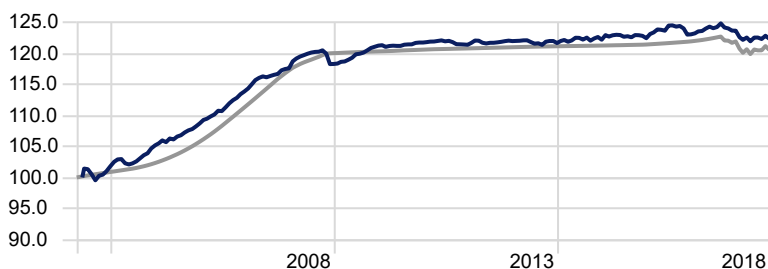


Melville Douglas Income Fund Ltd US Dollar Class

Minimum Disclosure Document as at 30 September 2018

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	-0.4	-1.0	-1.4	-0.2	0.1	0.2
80% US Gvt 1-10yrs, 20% US Corporate	-0.5	-1.1	-1.2	-0.2	-0.1	0.1

Risk Matrix *

	Class A	Benchmark
Information Ratio (arith)	0.1	
Std Dev	1.2	1.1
Sharpe Ratio **	-0.4	-0.4

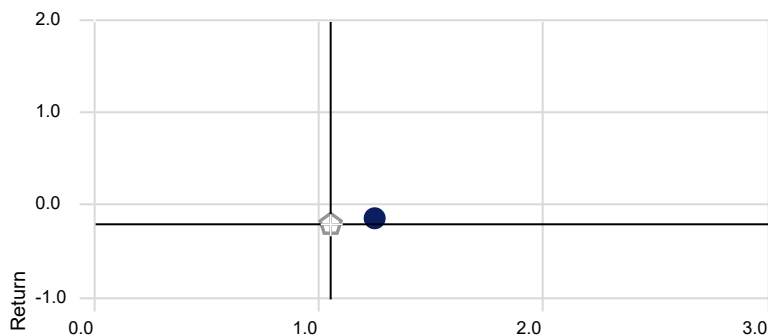
Highest and lowest 12 month rolling returns since inception

Highest 12 month rolling return	5.4
Lowest 12 month rolling return	-1.8

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-0.8	-0.3	0.3	-0.5	0.5	0.0	-0.2	0.4	-0.4				
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
2014	0.3	0.1	-0.2	0.2	0.4	0.0	-0.2	0.3	-0.4	0.3	0.2	-0.4	0.4
2013	0.0	0.0	0.1	0.0	-0.2	-0.2	0.0	-0.2	0.4	0.1	0.0	-0.3	-0.3

Risk-Reward *



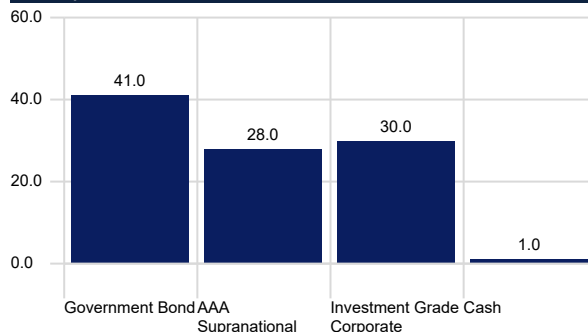
● Melville Douglas IFL USD Income Acc A ● 80% US Gvt 1-10yrs, 20% US Corporate

Not to be distributed within the European Union

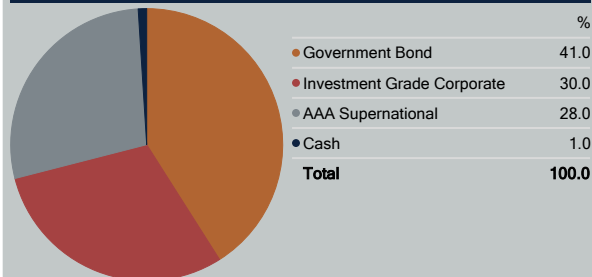
Investment Objective

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.

Security Sector



Asset Allocation



Operations

Name	Melville Douglas IFL USD Income Acc A
Month end price (USD)	\$ 162.8
Fund AUM (m)	\$ 50.9

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.

Bernard Drotschie

Bernard is the Deputy 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

Melville Douglas Income Fund Ltd

US Dollar Class



Minimum Disclosure Document as at 30 September 2018

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	Link Corporate Services (Jersey) Limited
Auditors	PwC, Ireland
Fund Directors	H.Holmes, G.S.Baillie, M.Farrow, and O.Sonnbichler
Registered Office	47-49 La Motte Street, St Helier, Jersey
Publication Date	23 October 2018
Compliance No.	ZB1745

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

Fund Costs- 12 months

Fee Class	Current Management Fee	TER	TC	TIC
Class A	0.80%	1.11%	0.00%	1.11%

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. Estimated transaction costs may include Bond, Money Market and FX Costs (where applicable). Where a Share Class has been in existence for less than 12 months, no TER is reflected.

Fund Costs- 36 months

Fee Class	Current Management Fee	TER	TC	TIC
Class A	0.80%	0.80%	0.00%	0.80%

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. Estimated transaction costs may include Bond, Money Market and FX Costs (where applicable). Where a Share Class has been in issue for less than 36 months, no TER is reflected.

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 unit price. This is an accumulation portfolio and does not distribute income. Telephone calls may be recorded. Link Corporate Services (Jersey) Limited, STANLIB Fund Managers Jersey Limited, Standard Bank International Investments Limited are regulated by the Jersey Financial Services Commission. The fund is also regulated by the Jersey Financial Services Commission

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 exists 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 -0.14% versus the Fund's benchmark return of +0.09%.

Market Overview

Global economic growth may be less synchronised than in 2017 but in aggregate remains strong. The US economy continues to comfortably lead the pack, aided by the fiscal boost and a robust employment market. A stronger US Dollar and tighter liquidity, coupled with ongoing trade tensions have racked up some casualties – specifically emerging markets and to a lesser extent the Eurozone which is heavily export-reliant. However, whilst economic growth in the Eurozone has decelerated, overall conditions remain healthy, and sufficiently so for the European Central Bank (ECB) to halt quantitative easing at the end of the year with the view to start raising interest rates at some stage in 2019. The Bank of England raised rates by a quarter point to 0.75% in the summer, however, we don't think economic conditions warrant another hike until well into 2019, particularly as the twists and turns of BREXIT continue to dampen sentiment. Ultimately, most major global central banks continue to step away from the ultra-easy monetary policies of the 'post-crisis' years, albeit at varying degrees. As monetary policies normalise, so should bond markets and whilst yields have already started to rise, particularly in the US, we still believe they remain too low – we remain cautious.

Looking Ahead

Economic growth in the US remains above trend and many indicators suggest the economic expansion, whilst mature, still has room to run. Second quarter Gross Domestic Product at 4.2% can only be described as robust and although the pace will moderate in the third and fourth quarters, we still expect full year growth in the region of 3%. Inflation at target and a strong employment market, notably with wage increases now at levels last seen at the end of the recession in 2009, have proved sufficient enough for the US Federal Reserve to maintain their tightening cycle. Interest rates were raised for a third time this year in late September to 2.25% and we concur with 12 of the 16 Fed officials who expect another hike in December. Geo-political noise, trade war spats and weakness in emerging markets were enough to keep a ceiling on US government bond yields for much of the quarter, however, ten-year yields breached 3% again in September and we expect further normalisation in the coming months. Given our ongoing bearish outlook for the fixed income market and with almost no extra yield compensation for assuming more duration risk, our only conclusion can be to keep the Fund defensively positioned for now.

The Fund remains overweight US Dollars with a 100% weighting. Whilst the currency has traded sideways for the period under review, it remains approximately 2.5% higher year-to-date in broad value terms. Favourable growth, interest rate and yield differentials continue to provide support for the currency although the longer term negative ramifications of President Trump's tax cuts and fiscal spending plans cannot be ignored. Over the short term, the uncertain outcome of ongoing trade war negotiations should continue to lend support to the US Dollar which appears to have regained its safe haven status. In addition, as the Federal Reserve push on with their interest rate hikes at a quarterly pace, Sterling and the Euro remain very far down the list for those seeking positive risk free rates of return.

The Fund's strategy remains committed to limiting downside in an environment where we forecast further yield normalisation. The duration strategy remains appropriately defensive but we are mindful that US government bond yields have been rising since mid-2016 and may soon be approaching levels that look attractive from a long term perspective. Our intention remains to gradually increase the maturity profile of the Fund as yields rise towards more attractive levels.