

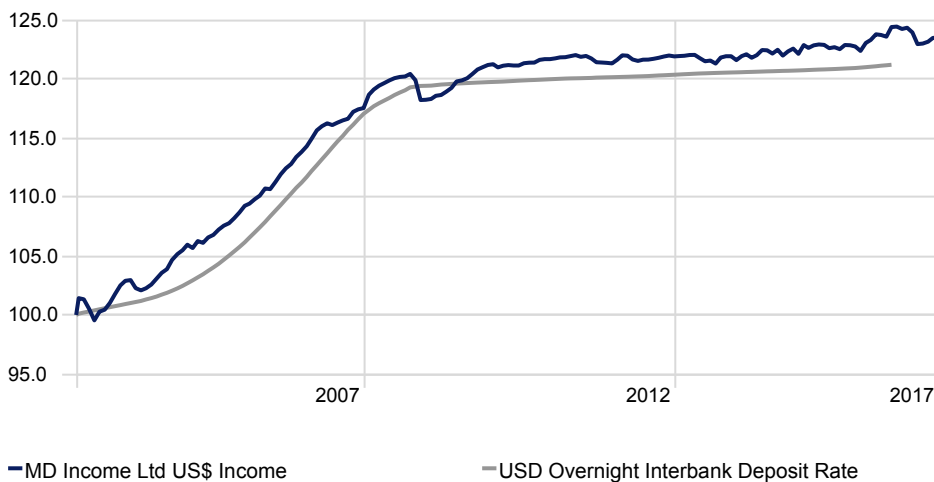
Melville Douglas Income Fund Ltd - USD Income Class

Minimum Disclosure Document as at 31 March 2017



MELVILLE DOUGLAS

Investment Growth***



Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years
MD Income Ltd US\$ Income	0.1	0.4	-0.2	0.5	0.3
USD Overnight Interbank Deposit Rate	0.1	0.2	0.6	0.3	0.3

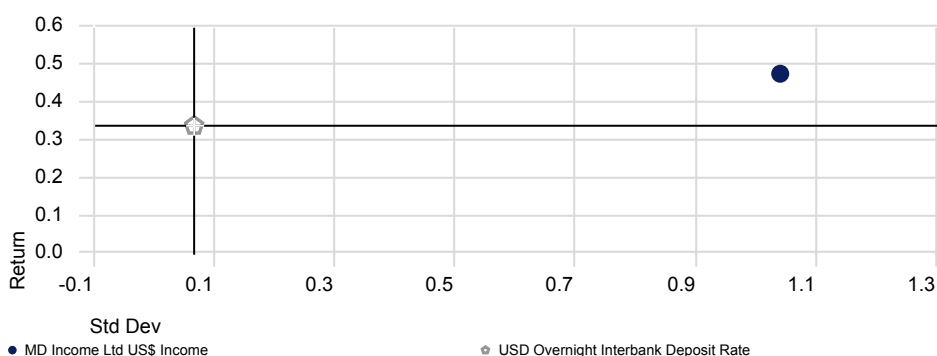
Risk Matrix *

	Fund	Benchmark
Information Ratio (arith)	0.1	
Std Dev	1.0	0.1
Sharpe Ratio **	0.1	0.1
Best Month (In Last 3 Years)	0.7	0.1
Worst Month (In Last 3 Years)	-0.8	0.0

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	0.1	0.3	0.1										
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
2012	0.3	0.3	0.0	-0.3	-0.1	0.1	0.0	0.1	0.1	0.1	0.1	-0.1	0.5

Risk-Reward*



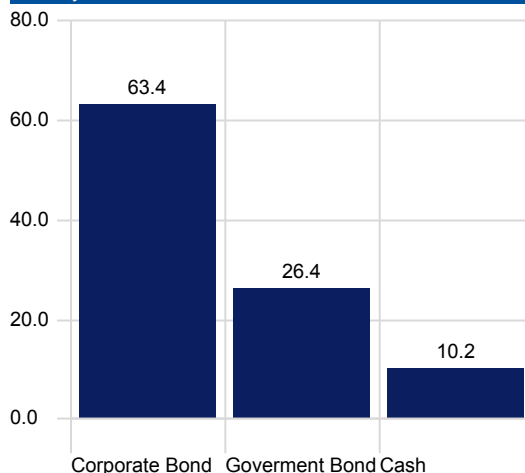
Not to be distributed within the European Union

* Data is displayed over a 3 year rolling period
 ** US Treasury T-Bill 3 Mon
 *** 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.

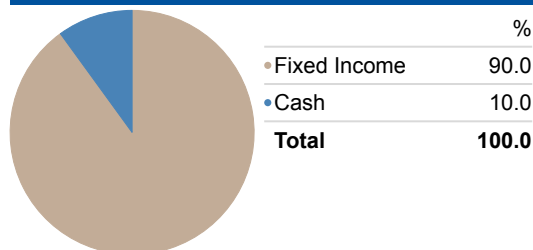
Investment Objective

To provide a return in excess of cash deposits 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

Price Date	2017/03/31
Share Price	\$ 164.5
ISIN	JE00B54RMC79
Minimum Investment	\$ 10 000
Fund AUM (m)	\$ 58.6
Domicile	Jersey

Portfolio Manager

Karl Holden

Risk Profile



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Additional 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, and potential limitations on the availability of market information.

Other Fund Facts

Manager	STANLIB Fund Managers Jersey Limited
Investment Manager	Standard Bank International Investments Limited
Custodian	Capita Trust Company (Jersey) Limited
Auditors	PwC, Ireland
Fund Directors	H. Holmes, GS. Baillie, M. Farrow, and O. Sonnlichler
Registered Office	47-49 La Motte Street, St Helier, Jersey
Launch Date	16 February 1999
Publication Date	26th April 2017
Compliance No.	HX4248

Fund Costs-12 months

TER = 0.69%
TC = 0.02%
TIC = 0.71%
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).

Fund Costs-36 months

TER = 0.69%
TC = 0.02%
TIC = 0.71%
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).

Contact Details

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Statutory disclosure and general terms and conditions

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Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending.

A Representative Agreement exists between Standard Bank International Investments Limited 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. The representative for the fund in South Africa is STANLIB Collective Investments (RF) Ltd. 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).

Melville Douglas Income Fund Ltd USD Income Class

1st Quarter Commentary 2017

Quarterly commentary

Despite the numerous political anxieties, we continue to see a pattern of modest but global synchronised growth and reflation, suggestive of less accommodative central bank policies in the quarters ahead. The Federal Reserve has sanctioned its third interest rate increase and we forecast two, or possibly three more quarter-point hikes before the end of the year. Talk of interest rate rises in the Eurozone in our view is premature but we do expect the European Central Bank (ECB) to continue to ease off the quantitative easing pedal. In the UK, Brexit equals uncertainty but growth is likely to again exceed expectations in the coming quarter supported by consumer spending despite the ongoing inflation squeeze on wages. Ultimately, the backdrop of global growth and rising US government bond yields looks set to push global yields modestly higher and therefore, the Fund remains defensively positioned with a bias towards short and medium-dated issues.

US economic conditions remain consistent with the more hawkish monetary stance now in place at the Federal Reserve. Both inflation and unemployment are at or close to the Fed's dual mandate target levels whilst GDP trend's at acceptable levels for what is deemed the 'new norm'. President Trump inherited an economy with the wind in its sails but there is a growing sense of impatience over lack of clarity on proposed tax reforms and infrastructure spend, particularly given the recent Obamacare defeat. We expect some positive fiscal news in the coming months which may be sufficient to provide another economic and sentiment 'sugar rush' into 2018. Under this scenario, ten-year US government bond yields should move higher as part of the ongoing normalisation process and we retain our medium term yield target of 3%.

The US Dollar fell moderately in the quarter but the Fund remains overweight on the view that this short term weakness is unlikely to be the beginning of a sustained downturn, just yet. Without doubt, many of the supportive factors have been discounted such as favourable interest rate and yield differentials but we expect the Trump administrations pro-growth fiscal initiatives and some form of border adjustment tax (BAT), even if watered down, to provide another, and potentially final, lift for the US Dollar. We are poised to trim our overweight exposure in the Fund at more favourable levels in the year ahead.

There are real signs of an improving economic backdrop in the Eurozone and the 'long-term' outlook for the Euro appears more positive. However for now, the uncertain political landscape and negative interest rates and yields (even before adjusting for inflation) should be enough to keep the Euro pressured, particularly against the US Dollar. The odds of one or more member states exiting the Euro remain slim but those odds are not 'zero' and therefore, an overhanging concern. The Fund remains zero-weighted in the Euro, however, a push in the US Dollar/Euro rate towards the much hyped parity level may convince us to start adding some exposure.

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