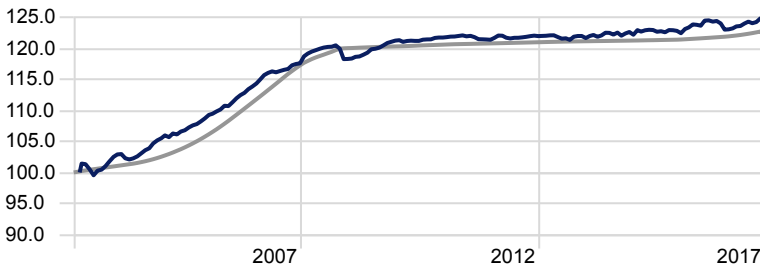


Melville Douglas Income Fund Ltd US Dollar Class

Minimum Disclosure Document as at 30 September 2017

Investment Growth***



—MD Income Ltd US\$ Income —80% US Gvt 1-10yrs, 20% US Corporate

Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
MD Income Ltd US\$ Income	-0.5	0.9	-0.2	0.6	0.4	0.6
80% US Gvt 1-10yrs, 20% US Corporate	-0.5	0.1	0.2	0.2	0.2	0.5

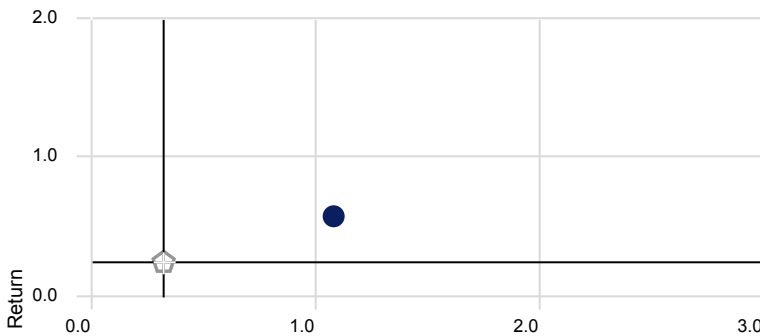
Risk Matrix *

	Class A	Benchmark
Information Ratio (arith)	0.3	
Std Dev	1.1	0.3
Sharpe Ratio **	0.0	-0.1
Best Month (In Last 3 Years)	0.7	0.1
Worst Month (In Last 3 Years)	-0.8	-0.5

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	0.1	0.3	0.1	0.3	0.3	-0.2	0.2	0.5	-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
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 *



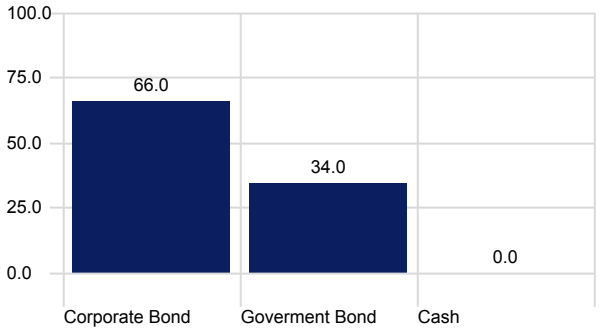
● MD Income Ltd US\$ Income ● 80% US Gvt 1-10yrs, 20% US Corporate

Not to be distributed within the European Union

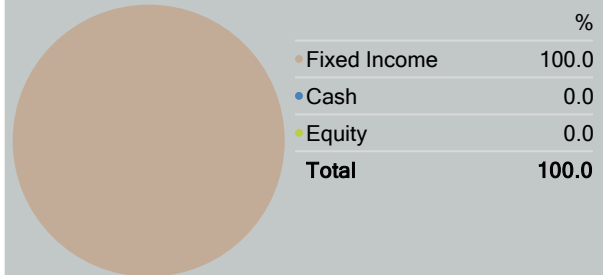
Investment Objective

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

Price Date	2017/09/30
Month end price (USD)	\$ 165.2
ISIN - Class A	JE00B54RMC79
Fund AUM (m)	\$ 56.1

Fund Managers

Karl Holden

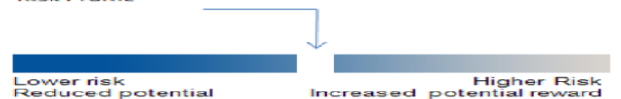
Karl specialises in global fixed income and currency markets. He is also a co-manager of the Melville Douglas Balanced Fund. Karl is a Chartered Wealth Manager, Fellow of the Chartered Institute for Securities and Investment and holds the Private Client Investment Advice and Management Certificate.

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

Risk Profile



* 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 2017

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.

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	Capita Trust Company (Jersey) Limited
Auditors	PwC, Ireland
Fund Directors	H.Holmes, GS.Baillie, M.Farrow, and O.Sonnbichler
Registered Office	47-49 La Motte Street, St Helier, Jersey
Publication Date	30th October 2017
Compliance No.	HX2499

Share Class ISIN

Class A	JE00B54RMC79
Class B	JE00BF1CWN63

Minimum Investment

Class A	USD 15 000
Class B	USD 2 500

Launch Date

Class A	March 2003
Class B	01 September 2017

Fund Costs- 12 months

Fee Class	Management Fee	TER	TC	TIC
Class A	0.80%	0.70%	0.01%	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). Where a Share Class has been in existence for less than 12 months, no TER is reflected.

Fund Costs- 36 months

Fee Class	Management Fee	TER	TC	TIC
Class A	0.80%	0.69%	0.01%	0.70%

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, not TER is reflected.

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 day unit price. This is an accumulation portfolio and does not distribute income. 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. Capita Trust Company (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.

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. 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 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

Duration positioning within the Fund remains defensive as upcoming headwinds should ensure that the most likely outcome is for higher government bond yields. The US Federal Reserve appear committed to their tightening path and markets now expect another 0.25% rise in interest rates before year-end with a further three hikes next year. Albeit at a slow initial pace of \$10 billion a month, balance sheet reduction, or quantitative tightening, begins in October – another confirmation that the central bank continues to step away from the ultra-easy monetary strategy, a policy that drove yields to unsustainably low levels.

The healthy employment market is supporting consumer spending trends and evidence suggests that inflation should trend slightly higher in the coming months – hence the Fund's continued overweight position to this asset class via a short-dated US Treasury index-linked issue. Indeed, US breakeven rates have rallied since late August, reflecting the more positive outlook for US inflation.

The Fund remains overweight investment grade credit relative to US government debt. At current levels, credit spreads have limited upside, yet with yields still extremely low by historical standards, the additional yield over and above government bond yields remains attractive.

The US Dollar has been under pressure for most of the year, but we see signs of a temporary reprieve in the fourth quarter that may allow us to begin reducing the overweight position. We await a more attractive level to begin building an allocation to Euros as this year's rally may have discounted much of the positive news over the short term.

For now, improving, or less negative 'real yields' in the US should continue to lend support to the US Dollar and the proposed drop in the tax rate for companies repatriating overseas earnings could provide some short-term support. In addition, resilient economic conditions in the US economy should underpin the Federal Reserve's willingness to maintain their tightening cycle, putting them out in the lead ahead of many of their global central bank counterparts.

Overall, the strategy remains one of limiting downside risk in an environment where we continue to forecast higher yields in the coming quarters. Global synchronised growth patterns and less accommodative central bank policies should ensure that global government bond yields continue to normalise. We aim to continue to gradually increase the duration of the fund at more attractive yield levels as this process unfolds.

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