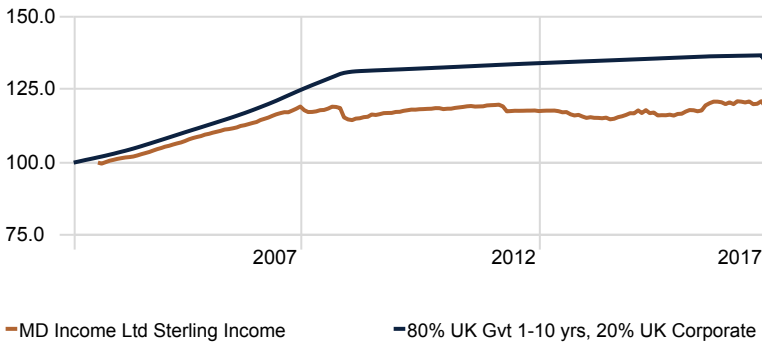


Melville Douglas Income Fund Ltd Sterling Class

Minimum Disclosure Document as at 30 September 2017

Investment Growth***



Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
MD Income Ltd Sterling Income	-1.4	-1.1	-1.3	1.0	0.3	0.2
80% UK Gvt 1-10 yrs, 20% UK Corporate	-1.5	-1.3	-1.3	-0.1	0.1	0.9

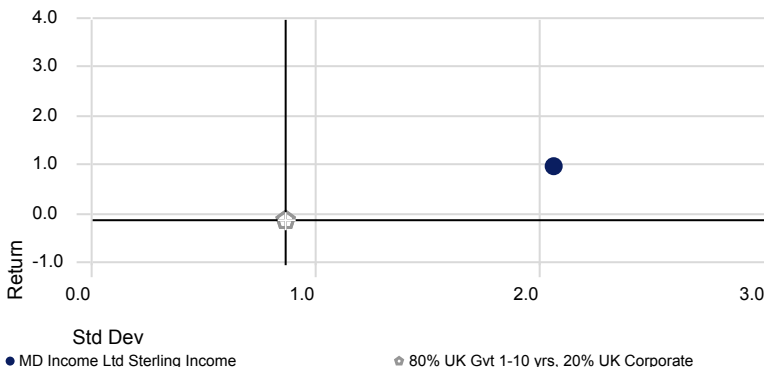
Risk Matrix *

	Class A	Benchmark
Information Ratio (arith)	0.6	
Std Dev	2.1	0.9
Sharpe Ratio **	-0.4	-0.5
Best Month (In Last 3 Years)	1.5	0.0
Worst Month (In Last 3 Years)	-1.4	-1.5

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	-0.5	0.8	-0.1	-0.2	0.3	-0.8	0.1	0.7	-1.4				
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
2015	0.9	-0.8	0.8	-0.9	0.2	-0.8	0.1	0.0	0.2	-0.3	0.5	0.1	-0.1
2014	0.2	-0.2	0.0	-0.1	0.2	-0.5	0.2	0.5	0.3	0.4	0.5	0.0	1.4

Risk-Reward *

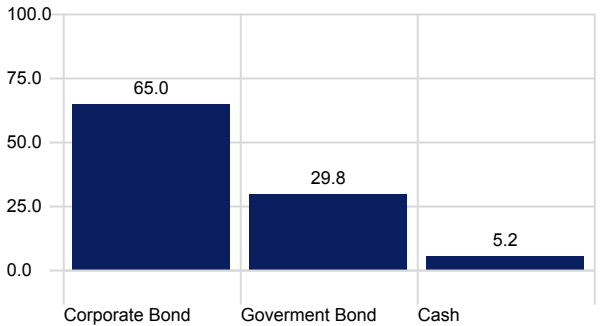


Not to be distributed within the European Union

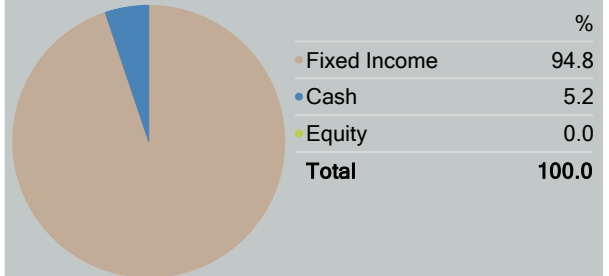
Investment Objective

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

Price Date	2017/09/30
Month end price	£ 119.0
ISIN - Class A	JE00B4ZCW915
Fund AUM (m)	£ 4.0

Fund Managers

Karl Holden

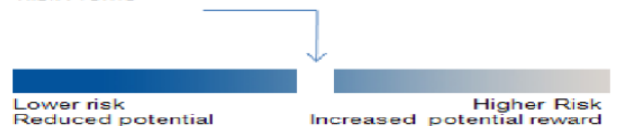
Karl specialises in global fixed income and currency markets. He is also a co-manager of the Melville Douglas Balanced Fund. Karl is a Chartered Wealth Manager, Fellow of the Chartered Institute for Securities and Investment and holds the Private Client Investment Advice and Management Certificate.

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

Melville Douglas Income Fund Ltd Sterling 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.Sonnichler
Registered Office	47-49 La Motte Street, St Helier, Jersey
Publication Date	30th October 2017
Compliance No.	HX2499

Share Class ISIN

Class A	JE00B4ZCW915
Class B	JE00BF1CX551

Minimum Investment

Class A	GBP 10 000
Class B	GBP 1 500

Launch Date

Class A	25 September 2003
Class B	01 September 2017

Fund Costs- 12 months

Fee Class	Management Fee	TER	TC	TIC
Class A	0.80%	1.05%	0.04%	1.09%

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 the 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%	1.11%	0.04%	1.15%

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 the Share Class has been in existence for less than 36 months, no 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

Following a sharp spike in September, UK bond yields ended the quarter moderately higher. Despite upcoming BREXIT uncertainties, elevated inflation has prompted a more hawkish stance from the Bank of England and a 0.25% hike in interest rates is now expected in the fourth quarter. We doubt this marks the beginning of a sustained tightening cycle, rather, little more than a reversal of the cut sanctioned in August last year. Barring a collapse in Sterling, we believe inflation is approaching a ceiling level and have sold the Fund's exposure to the index-linked market.

The ongoing squeeze in 'real' earnings remains a significant hurdle for the UK economy and higher borrowing costs amid climbing household credit will do little to appease the recent dip in consumer confidence. The Fund's defensive strategy remains in situ but is driven predominantly by the belief that higher yields in the US and Eurozone will impart their influence on the Sterling bond market.

The Fund remains overweight investment grade credit relative to UK 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 Bank of England's recently broadcast hawkish tilt helped Sterling rally significantly in September and on a trade-weighted basis it is now slightly higher on the year, although remaining decisively below its pre-BREXIT levels. Deeply negative 'real returns' are an ongoing fact of life for Sterling depositors and we see little reprieve from this headwind in the quarters ahead even if, as we expect, inflation moderates somewhat. Sterling has benefited from weakness in the US Dollar this year as much as domestic factors, but we think at current levels has sufficiently factored in all, if not too much, of the limited positive news available. The Fund continues to hold US Dollars as a safeguard against anticipated weakness and we have recently introduced a Euro weighting, a position which may increase in the period ahead.

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.

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.