

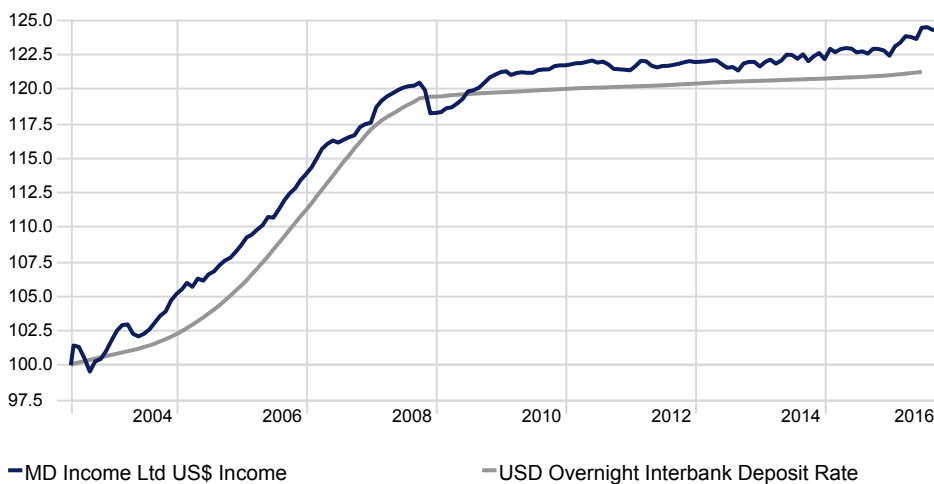
Melville Douglas Income Fund Ltd - USD Income Class

Minimum Disclosure Document as at 30 September 2016



MELVILLE DOUGLAS

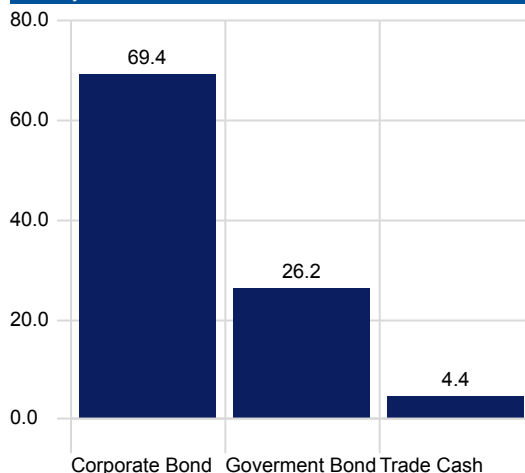
Investment Growth***



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



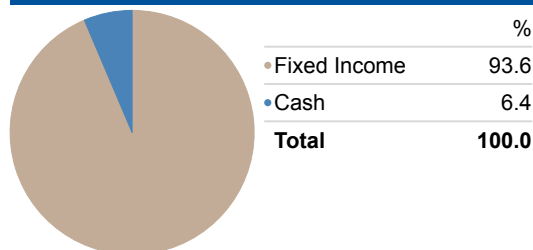
Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years
MD Income Ltd US\$ Income	0.1	1.6	1.2	0.7	0.5
USD Overnight Interbank Deposit Rate	0.0	0.3	0.4	0.2	0.2

Risk Matrix *

	Fund	Benchmark
Information Ratio (arith)	0.5	
Std Dev	0.9	0.0
Sharpe Ratio **	0.3	0.3
Best Month (In Last 3 Years)	0.7	0.0
Worst Month (In Last 3 Years)	-0.4	0.0

Asset Allocation



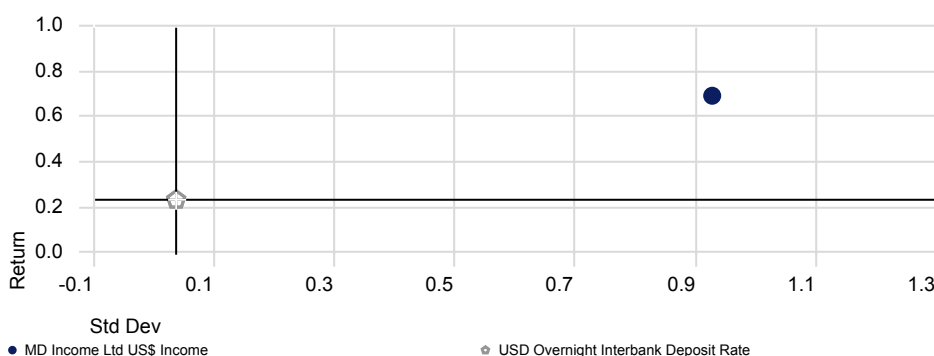
Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	0.6	0.2	0.4	0.0	-0.1	0.7	0.0	-0.2	0.1				
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
2011	0.1	0.1	0.0	0.1	0.1	-0.1	0.1	-0.2	-0.3	0.0	0.0	0.0	-0.3

Operations

Price Date	2016/09/30
Share Price	\$ 165.53
ISIN	JE00B54RMC79
Minimum Investment	\$ 10 000
Fund AUM (m)	\$ 60.5
Domicile	Jersey

Risk-Reward*



Portfolio Manager

Karl Holden

Risk Profile



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.

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Commentary

The Federal Reserve continue to delay what is becoming a much called for second hike in interest rates. Ongoing ultra-low rates and QE are not only losing their effectiveness but more worryingly, continue to play their part in prolonging yields at artificially low levels. Without doubt, US economic data is not robust but does continue to grow at a pace that is not consistent with interest rates in the 0.25% to 0.50% bound. Having spent much of 2015 hovering around 0%, headline inflation, now at 1.1%, appears to be on an upward trajectory and importantly, the negative base effects of a strong US Dollar and falling oil price are slowing dropping out of the equation. Job growth remains solid, buoyed by the service sector, and is arguably at or close to the full employment level consistent with ongoing wage growth.

Turning to the US Dollar, our outlook over the short term remains positive and the Fund remains at a full 100% weight. The long awaited second US policy hike should become a reality in December, further benefitting the already positive interest rate differential versus other majors such as the Euro, Yen and Sterling. However, over the longer haul we have reservations that the currency can continue to rally at the pace experienced since 2011. Arguably, much of the positive news has been factored in and unless the future pace of hikes proves to be more aggressive than anticipated, an element of profit taking may ensue. A Trump victory in November also carries concerns as populist policies such as tax cuts would both stoke inflationary pressures, lowering real returns and widen the US's budget deficit. Much remains speculation of course but for now, the US Federal Reserve remains in tightening mode whilst all others continue to ease.

Taking a global view, our view on government bonds remains unchanged. Low, and often negative, interest rates combined with massive quantitative easing experiments have instilled a false sense of security in the debt markets that central banks will forever step in and save the day. Essentially, this safety net needs to remain firmly in place for yields to continue to languish at these low levels. To understand this connection is vital, as we are starting to see signs emerging that central banks are at their limits and the mere hint of less ultra-easy accommodation, in whatever form, should provoke a lift in yields. Historically, a jump in yields would be cushioned by a much higher coupon return but with about 70% of global government bonds yielding less than 1%, the outlook is somewhat less comfortable. The Fund remains defensively positioned with a short-duration strategy until such time as yields rise to levels that we view as attractive over a medium to long term horizon.

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	11th November 2016

Fund Costs

TER = 0.71%
TC = 0.01%
TIC = 0.72%

TER = (Total Expenditure 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).

Other Fees

Administration Fee	0.15%
Management Fee	0.38%
Custody Fee	0.04%
Up-front Fee	Up to a maximum of 5.5%

Contact Details

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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. 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 priced weekly. 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.

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).