



**Melville Douglas Income Fund Limited  
Annual Report and Audited Financial Statements  
Year ended 30 September 2024**

# Melville Douglas Income Fund Limited

## Annual Report and Audited Financial Statements

For the year ended 30 September 2024

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# Melville Douglas Income Fund Limited

## Administration

### Directors

Michael Farrow\* (British) (Chairman) (Jersey Resident)  
Michael Laws (British) (South African Resident)  
Oliver Sonnbichler (South African/Austrian)  
Robert Stewart (South African) (Jersey Resident) (resigned on 31/08/2024)

### Sub-Custodian and Banker

The Bank of New York Mellon SA/NV London Branch  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

### Registered Office

Standard Bank House  
47 - 49 La Motte Street  
St. Helier  
Jersey JE2 4SZ  
Channel Islands

### Administrator

BNY Mellon Fund Services (Ireland) Designated Activity Company  
One Dockland Central, Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

### Manager and Secretary

STANLIB Fund Managers Jersey Limited  
Standard Bank House  
47 - 49 La Motte Street  
St. Helier  
Jersey JE2 4SZ  
Channel Islands

### Independent Auditors

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### Investment Manager

Melville Douglas Investment  
Management (Proprietary) Limited  
30 Baker Street  
Rosebank  
Johannesburg, 2196  
Republic of South Africa

### Legal Adviser

Ogier  
Ogier House  
44 Esplanade  
St. Helier  
Jersey JE4 9WG  
Channel Islands

### Custodian

Apex Financial Services (Corporate) Limited  
IFC 5  
St. Helier  
Jersey JE1 1ST  
Channel Islands

\*Independent Non-Executive Director.

# Melville Douglas Income Fund Limited

## Report of the Directors

The directors submit their annual audited report and financial statements for the year 30 September 2024.

### **Incorporation**

Melville Douglas Income Fund Limited (the "Company") is an open-ended investment company incorporated by way of a continuance in Jersey on 31 March 2003 with limited liability under the provisions of the Companies (Jersey) Law 1991 and holds a fund certificate issued pursuant to the Collective Investment Funds (Jersey) Law 1988 and is regulated by the Jersey Financial Services Commission ("JFSC"). It was initially incorporated in the British Virgin Islands under the Mutual Funds Act 1996. The Company is a public company within the meaning of Article 16 of the Companies (Jersey) Law 1991. Participating shares may be issued and redeemed at prices based upon each class's underlying net asset value.

### **Structure**

The Company offers investors a choice of classes (each such class being referred to as a "Class Fund") and the opportunity to switch from one Class Fund to another. As at 30 September 2024 there are three Class Funds (the US Dollar Bond Class, the Sterling Bond Class and the US Dollar Enhanced Income Class). A separate Class Fund is established for each class of participating shares and each Class Fund is managed separately and independently.

The assets, liabilities, income and expenses attributable to each class of participating share are applied to the Class Fund established for that class. If they are not attributable to any particular class of participating shares, they are allocated between all the Class Funds in such manner as the directors deem to be equitable. The Company is a single legal entity. As a result, although the assets, income, earnings, liabilities and expenses attributable to each Class Fund will be segregated and kept separate from those attributable to other Class Funds, in the event of the Company not being able to meet its liabilities attributable to any particular Class Fund out of the assets of such Class Funds, the excess liabilities may have to be met out of the assets attributable to other Class Funds.

### **Objective and investment policy**

The objective of the Class Funds is to provide a return in excess of its benchmark in US Dollars and Sterling respectively, 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 investment schemes, money market instruments and cash that will maximise total returns in Base Currency. For the avoidance of doubt the Class Fund may also invest in collective investment schemes investing in real estate (including buildings) or interests in real estate (including options or rights in respect of real estate) and make other investments which are not prohibited by the investment restrictions set out in the prospectus.

### **Results and dividends**

The Company currently does not intend to distribute income and capital gains realised by the Company on its investments by way of dividend. Accordingly, income on investments and increases in the capital value of the investments of the Company will be reflected in the value of the participating shares. The results for the year are disclosed in the Statements of Comprehensive Income.

### **Directors**

The directors of the Company during the year and subsequently are set out on page 2.

Michael Laws and Oliver Sonnbichler are executives of Melville Douglas Investment Management (Proprietary) Limited, Michael Farrow is an independent non-executive director.

No director has a service contract with the Company or holds any interest in the capital of the Company.

# Melville Douglas Income Fund Limited

## Report of the Directors (continued)

### Registered Office

The registered office is as disclosed on page 2.

### Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP"), including Financial Reporting Standard ("FRS") 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

The Companies (Jersey) Law 1991 requires the directors to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that year. In preparing those financial statements, the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The directors confirm that they have complied with all the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Connected Persons

The directors are satisfied that there are arrangements in place to ensure that transactions with connected persons entered into during the year were carried out as if negotiated at arm's length and were in the best interests of shareholders.

### Independent Auditors

PricewaterhouseCoopers Ireland have indicated their willingness to continue in office. A resolution to reappoint PricewaterhouseCoopers Ireland as independent auditors of the Company will be proposed at the annual general meeting. A copy of the Notice of the Annual Form of Proxy General Meeting is attached and forms part of these financial statements.

### Secretary

The Secretary of the Company during the year ended 30 September 2024 and subsequently was STANLIB Fund Managers Jersey Limited.

**By Order of the Board**  
**STANLIB Fund Managers Jersey Limited**



**Company Secretary**  
**22 January 2025**

# Melville Douglas Income Fund Limited

## Report of the Custodian

To the members of Melville Douglas Income Fund Limited.

The Custodian is responsible for the safekeeping of all the property of the Company which is entrusted to it, as prescribed in the Custodian Agreement.

Under the principles of the Guide to open-ended unclassified collective investment funds offered to the general public (the "OCIF Guide"), issued by the Jersey Financial Services Commission, the Custodian has a duty to take reasonable care to ensure that the methods adopted by the Company's Manager in respect to the pricing of, and dealing in, shares in the Company are compliant with the Company's principal documents.

It is the opinion of Apex Financial Services (Corporate) Limited in respect of the year ended 30 September 2024 that to the best of our information, knowledge and belief, that in all material respects, the Manager managed the Class Funds in that year:

- a) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Articles of Association and Prospectus and;
- b) otherwise in accordance with the provisions of the Management and Custodian Agreements.



**Apex Financial Services (Corporate) Limited**  
**Custodian**  
**22 January 2025**

# Melville Douglas Income Fund Limited

## Investment Manager's Report

For the year ended 30 September 2024

### US Dollar Bond Class (the "Class Fund")

#### 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 12 months to 30th September was +8.78% (A Class), +8.67% (B Class), +8.96% (C Class) and +9.66% (X Class) versus the benchmark return of +9.89%.

#### Market Overview

Global bond markets delivered strong returns in the third quarter and over the 12 month period as further evidence that the disinflation trend remains intact convinced major central banks to begin easing monetary policy. In a highly anticipated move, the US Federal Reserve (Fed) lowered interest rates by 50-basis points to 5% and signalled a further 50 basis points of easing before year-end. The Fed's goal is clear, namely glide the US into a soft landing by pre-emptively easing whilst, on many measures, the economy remains strong. As ever, the future pace of monetary easing will be dictated by the economic data but getting 'ahead of the curve' in this way should be seen as growth positive, although is not without upside inflationary risks. Given expectations of higher UK inflation into year-end, the Bank of England (BOE) opted to keep interest rates unchanged at their September meeting having cut by 25-basis points in early August. And in the Eurozone, the European Central Bank (ECB) sanctioned two 25 basis point cuts, taking the key deposit rate to 3.5%. Inflation continues to edge closer to 2% and concerns over the health of the economy continue to build with the ECB trimming its annual growth forecasts out to 2026.

#### Looking Ahead

In the US, government bond yields fell sharply across the entire maturity spectrum as the start of the Fed's easing cycle triggered the market to price in cumulative rate cuts of approximately 2.5% within the next twelve months. It is clear that inflation concerns have quickly been replaced with an uncertain growth outlook given recent signs of weakness in the employment market. This is understandable given the Fed's 'dual mandate', but we believe that government yields are priced for an overly pessimistic economic outlook and may fall prey to a retracement higher in the coming months, hence the reluctance to extend the duration of the fund further. Whilst the employment market is indeed slowing, it is not yet at levels indicative with an imminent recession. Wage gains have moderated from the post-COVID inflationary boost but remain, on average, above headline inflation rates and this continues to spur consumer spending which was the backbone of the impressive +3% annualised growth (GDP) rate recorded in the second quarter. In addition, household net wealth at a record high remains an effective buffer against the cost of higher inflation and interest rates, against which the US economy has held up remarkably. Looking ahead, some of this aptly named US 'exceptionalism' may indeed fade, perhaps more than we envisage, however this time the Fed have a significant 'anti-slowdown' armoury in the form of interest rates at 5% (upper bound) which can be lowered swiftly if necessary. For these reasons, amongst others, we expect the US to achieve somewhere between a 'soft' and 'no' landing which may both re-ignite an element of inflationary concern and subsequently a reappraisal of the short to medium-term interest rate outlook.

The Fund has retained a 'neutral' to benchmark duration strategy as the manager expects yields to retrace some of the third quarters declines, providing more attractive levels to extend maturities. The Fund's 'maximum overweight' allocation to the US Dollar weighed on performance in the period under review but remains in place as the manager's forecast for higher yields should support the currency in the fourth quarter.

# Melville Douglas Income Fund Limited

## Investment Manager's Report (continued)

For the year ended 30 September 2024

### Sterling Bond Class (the "Class Fund")

#### Fund Review

The objective of the Class Fund is to provide a return in excess of its benchmark in Sterling, 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 Sterling.

- The Fund's performance for the 12 months to 30<sup>th</sup> September was +5.56% (A Class), +5.46% (B Class), and +6.41% (X Class), versus the benchmark return of +6.09%.

#### Market Overview

Global bond markets delivered strong returns in the third quarter and over the 12 month period as further evidence that the disinflation trend remains intact convinced major central banks to begin easing monetary policy. In a highly anticipated move, the US Federal Reserve (Fed) lowered interest rates by 50-basis points to 5% and signalled a further 50 basis points of easing before year-end. The Fed's goal is clear, namely glide the US into a soft landing by pre-emptively easing whilst, on many measures, the economy remains strong. As ever, the future pace of monetary easing will be dictated by the economic data but getting 'ahead of the curve' in this way should be seen as growth positive, although is not without upside inflationary risks. Given expectations of higher UK inflation into year-end, the Bank of England (BOE) opted to keep interest rates unchanged at their September meeting having cut by 25-basis points in early August. And in the Eurozone, the European Central Bank (ECB) sanctioned two 25 basis point cuts, taking the key deposit rate to 3.5%. Inflation continues to edge closer to 2% and concerns over the health of the economy continue to build with the ECB trimming its annual growth forecasts out to 2026.

#### Looking Ahead

The Bank of England (BOE) began its monetary easing cycle in July with a close 5-4 vote in favour of a 25-basis point cut in interest rates to 5%. However, at the most recent meeting in September they refrained from further interest rate cuts with an 8-1 vote in favour of keeping policy on hold, an outcome which contrasts with the 50-basis point reduction delivered by the Fed the previous day. Price pressures are still evident in the UK economy with headline inflation, after reaching the central banks 2% target in the second quarter, recently rising to 2.2%. In addition, with inflation in the services sector still running at over 5% and an imminent rise in energy prices following the increase in the price cap from 1st October, it is understandable that the BOE remain cautiously unwilling to 'aggressively' ease policy just yet. More optimistically, whilst the BOE expect headline inflation to increase to around 2.5% by year-end (revised lower from 2.8%), the central bank currently forecasts it will fall back to target levels through 2025, effectively keeping the rate cutting cycle very much in play. As in most developed economies, consumer spending has propped up the economy and although positive year-on-year, growth has stagnated in three of the last four months as wages continue to gradually ease. We expect a resumption of the easing cycle and 25 basis point rate cuts at each of the final two meetings before year-end taking base rates to 4.5%. UK sovereign bond yields have fallen over the quarter, led by the front end as the market discounts further monetary easing, and with the 10-year UK Gilt yield ending the quarter slightly lower at circa 4%.

The Fund has retained a 'neutral' to benchmark duration strategy as the manager expects yields to retrace some of the third quarters declines, providing more attractive levels to extend maturities. The Fund's 'overweight' allocation to the US Dollar weighed on performance in the quarter but remains in place as the manager's forecast for higher US government bond yields should support the currency in the fourth quarter.

# Melville Douglas Income Fund Limited

## Investment Manager's Report (continued)

For the year ended 30 September 2024

### US Dollar Enhanced Income (the "Class Fund")

#### Fund Review

The objective of the Class Fund is to provide a return in excess of the Barclays Benchmark Overnight USD Cash Index, whilst seeking to maintain a high degree of capital preservation. Investment will primarily be in quality fixed, floating and inflation linked interest bearing securities, and, where in the opinion of the Investment Manager, direct investment in direct securities will not achieve sufficient diversification to achieve the Class Fund's objective, the fund may also invest in other collective investment schemes.

- The Fund's performance for the 12 months to 30<sup>th</sup> September as follows:

B share class + 4.99%

C share class + 5.21%

P share class N/A – Share class launched 25 January 2024

X share class + 5.84%

The Funds benchmark returned + 5.57%

#### Market Overview

Global bond markets delivered strong returns in the third quarter and over the 12 month period as further evidence that the disinflation trend remains intact convinced major central banks to begin easing monetary policy. In a highly anticipated move, the US Federal Reserve (Fed) lowered interest rates by 50-basis points to 5% and signalled a further 50 basis points of easing before year-end. The Fed's goal is clear, namely glide the US into a soft landing by pre-emptively easing whilst, on many measures, the economy remains strong. As ever, the future pace of monetary easing will be dictated by the economic data but getting 'ahead of the curve' in this way should be seen as growth positive, although is not without upside inflationary risks. Given expectations of higher UK inflation into year-end, the Bank of England (BOE) opted to keep interest rates unchanged at their September meeting having cut by 25-basis points in early August. And in the Eurozone, the European Central Bank (ECB) sanctioned two 25 basis point cuts, taking the key deposit rate to 3.5%. Inflation continues to edge closer to 2% and concerns over the health of the economy continue to build with the ECB trimming its annual growth forecasts out to 2026.

#### Looking Ahead

In the US, government bond yields fell sharply across the entire maturity spectrum as the start of the Fed's easing cycle triggered the market to price in cumulative rate cuts of approximately 2.5% within the next twelve months. It is clear that inflation concerns have quickly been replaced with an uncertain growth outlook given recent signs of weakness in the employment market. This is understandable given the Fed's 'dual mandate', but we believe that government yields are priced for an overly pessimistic economic outlook and may fall prey to a retracement higher in the coming months. Whilst the employment market is indeed slowing, it is not yet at levels indicative with an imminent recession. Wage gains have moderated from the post-COVID inflationary boost but remain, on average, above headline inflation rates and this continues to spur consumer spending which was the backbone of the impressive +3% annualised growth (GDP) rate recorded in the second quarter. In addition, household net wealth at a record high remains an effective buffer against the cost of higher inflation and interest rates, against which the US economy has held up remarkably. Looking ahead, some of this aptly named US 'exceptionalism' may indeed fade, perhaps more than we envisage, however this time the Fed have a significant 'anti-slowdown' armoury in the form of interest rates at 5% (upper bound) which can be lowered swiftly if necessary. For these reasons, amongst others, we expect the US to achieve somewhere between a 'soft' and 'no' landing which may both re-ignite an element of inflationary concern and subsequently a reappraisal of the short to medium-term interest rate outlook.

# Melville Douglas Income Fund Limited

## **Investment Manager's Report (continued)**

### **US Dollar Enhanced Income (the "Class Fund") (continued)**

#### **Looking Ahead (continued)**

The steep inversion at the short-end of the yield curve has led the manager to defensively position the Fund's duration ending the year at circa 0.5 years. The market has priced in an aggressive interest rate cutting cycle which appears at odds with the strength of the economy, and as such does not warrant extending duration at current levels.

**Melville Douglas Investment Management (Proprietary) Limited**  
**Investment Manager**  
**29 October 2024**

## ***Independent auditors' report to the members of Melville Douglas Income Fund Limited***

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Melville Douglas Income Fund Limited's financial statements:

- give a true and fair view of the financial position of the company and class funds as at 30 September 2024 and of their results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statements of Financial Position as at 30 September 2024;
- the Statements of Comprehensive Income for the year then ended;
- the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares for the year then ended;
- the Portfolio Statement for each of the class funds as at 30 September 2024; and
- the notes to the financial statements for the company and for each of its class funds, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's and class funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's and class funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's and class funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: [https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_a\\_udit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_a_udit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies (Jersey) Law 1991 exception reporting**

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Declan Murphy  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
22 January 2025

# Melville Douglas Income Fund Limited

## Statements of Financial Position

As at 30 September 2024

(Comparatives as at 30 September 2023)

	Notes	US Dollar Bond Class 30 September 2024 USD	US Dollar Bond Class 30 September 2023 USD	Sterling Bond Class 30 September 2024 GBP	Sterling Bond Class 30 September 2023 GBP
<b>Assets</b>					
Financial assets at fair value through profit or loss	2(b), 7.4	178,296,016	148,936,402	31,986,928	26,845,810
Cash and cash equivalents	2(c)	863,351	1,709,916	302,011	483,747
Receivable for shares sold	2(f)	135,000	650,000	—	125,000
Income receivable	2(d)	613,312	639,325	135,827	120,636
<b>Total assets</b>		<b>179,907,679</b>	<b>151,935,643</b>	<b>32,424,766</b>	<b>27,575,193</b>
<b>Liabilities</b>					
Payable for shares redeemed	2(f)	509,133	—	24,308	—
Management fees payable	2(g)	39,249	36,848	5,984	5,237
Custodian fees payable	2(g)	3,224	2,825	975	788
Sub-Custodian fees payable	2(g)	1,350	1,218	450	391
Director fees payable	2(g)	5,382	5,835	1,080	1,093
Audit fees payable	2(g)	7,916	8,564	1,564	1,925
Other payables		2,736	6,554	496	1,176
<b>Total liabilities</b>		<b>568,990</b>	<b>61,844</b>	<b>34,857</b>	<b>10,610</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>179,338,689</b>	<b>151,873,799</b>	<b>32,389,909</b>	<b>27,564,583</b>
<b>Net asset value per share</b>					
Class A Shares		172.92	158.96	111.90	106.01
Class B Shares		10.52	9.68	9.13	8.66
Class C Shares		9.70	8.91	—	—
Class P Shares*		10.47	—	10.25	—
Class X Shares		11.07	10.09	9.91	9.31

\*Effective 25 January 2024, US Dollar Bond Class Fund launched US Dollar Bond P Class and Sterling Bond Class Fund launched Sterling Bond P Class.

The notes on pages 18 to 33 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Financial Position (continued)

As at 30 September 2024

(Comparatives as at 30 September 2023)

	Notes	US Dollar Enhanced Income Class	US Dollar Enhanced Income Class	Total USD	Total USD
		30 September 2024	30 September 2023		
<b>Assets</b>					
Financial assets at fair value through profit or loss	2(b), 7.4	77,615,170	55,076,516	298,816,852	236,779,572
Cash and cash equivalents	2(c)	211,456	351,489	1,479,909	2,651,842
Receivable for shares sold	2(f)	42,668	—	177,668	802,569
Income receivable	2(d)	291,881	291,100	1,087,385	1,077,667
<b>Total assets</b>		<b>78,161,175</b>	<b>55,719,105</b>	<b>301,561,814</b>	<b>241,311,650</b>
<b>Liabilities</b>					
Payable for shares redeemed	2(f)	153,705	648,459	695,443	648,459
Management fees payable	2(g)	10,230	6,854	57,506	50,094
Custodian fees payable	2(g)	2,077	1,514	6,609	5,301
Sub-Custodian fees payable	2(g)	690	522	2,644	2,217
Director fees payable	2(g)	2,618	2,080	9,449	9,249
Audit fees payable	2(g)	3,448	3,857	13,462	14,771
Other payables		1,191	2,345	4,592	10,334
<b>Total liabilities</b>		<b>173,959</b>	<b>665,631</b>	<b>789,705</b>	<b>740,425</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>77,987,216</b>	<b>55,053,474</b>	<b>300,772,109</b>	<b>240,571,225</b>
<b>Net asset value per share</b>					
Class B Shares		10.56	10.05	—	—
Class C Shares		10.58	10.06	—	—
Class P Shares*		10.33	—	—	—
Class X Shares		11.12	10.51	—	—

\*Effective 25 January 2024, US Dollar Enhanced Income Class Fund launched Enhanced Income USD Class P.

The financial statements were approved by the Board on 22 January 2025 and signed on its behalf by.



Michael Farrow (Jan 22, 2025 16:35 GMT)

Director

The notes on pages 18 to 33 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Comprehensive Income

For the year 1 October 2023 to 30 September 2024

(Comparatives are for the year 1 October 2022 to 30 September 2023)

	Notes	US Dollar Bond Class	US Dollar Bond Class	Sterling Bond Class	Sterling Bond Class
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
		USD	USD	GBP	GBP
<b>Income</b>					
Dividend income	2(d)	1,565,443	979,753	294,898	209,707
Interest income	2(d)	4,661,891	2,769,506	783,546	456,321
Deposit interest	2(d)	30,149	51,461	4,636	5,680
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 3	9,855,113	(4,179,310)	948,468	28,765
<b>Total net gain/(loss)</b>		<b>16,112,596</b>	<b>(378,590)</b>	<b>2,031,548</b>	<b>700,473</b>
<b>Expenses</b>					
Management fees	2(g)	472,428	417,370	71,676	69,660
Custodian fees	2(g)	37,199	32,402	11,564	9,974
Sub-Custodian fees	2(g)	16,436	13,802	5,212	4,613
Directors' fees	2(g)	22,485	21,122	4,352	4,841
Audit fees	2(g)	10,660	8,564	2,063	1,925
Sundry expenses		29,386	20,969	5,631	4,553
<b>Total operating expenses</b>		<b>588,594</b>	<b>514,229</b>	<b>100,498</b>	<b>95,566</b>
<b>Net income/(expense) before finance costs</b>		<b>15,524,002</b>	<b>(892,819)</b>	<b>1,931,050</b>	<b>604,907</b>
<b>Finance Costs:</b>					
Bank interest	2(d)	—	—	(28)	(33)
<b>Total Finance Costs</b>		<b>—</b>	<b>—</b>	<b>(28)</b>	<b>(33)</b>
Taxation	2(i), 4	(101,879)	(65,843)	(725)	7,532
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations</b>		<b>15,422,123</b>	<b>(958,662)</b>	<b>1,930,297</b>	<b>612,406</b>

All of the above results are from continuing operations. There are no recognised gains or losses for the year other than those set out in the Statements of Comprehensive Income. There are no differences between the results above and those under historical cost.

The notes on pages 18 to 33 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Comprehensive Income (continued)

For the year 1 October 2023 to 30 September 2024

(Comparatives are for the year 1 October 2022 to 30 September 2023)

	Notes	US Dollar Enhanced Income Class	US Dollar Enhanced Income Class	Total	Total
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
		USD	USD	USD	USD
<b>Income</b>					
Dividend income	2(d)	160,351	119,851	2,099,549	1,356,461
Interest income	2(d)	3,240,475	1,538,460	8,895,434	4,866,886
Deposit interest	2(d)	22,337	14,152	58,362	72,570
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 3	820,419	513,460	11,877,623	(3,630,618)
<b>Total net gain</b>		<b>4,243,582</b>	<b>2,185,923</b>	<b>22,930,968</b>	<b>2,665,299</b>
<b>Expenses</b>					
Management fees	2(g)	113,226	80,874	676,496	583,566
Custodian fees	2(g)	23,464	18,416	75,319	63,035
Sub-Custodian fees	2(g)	8,831	8,384	31,873	27,836
Directors' fees	2(g)	9,361	9,879	37,362	36,930
Audit fees	2(g)	4,456	3,857	17,730	14,779
Sundry expenses		12,748	8,854	49,271	35,400
<b>Total operating expenses</b>		<b>172,086</b>	<b>130,264</b>	<b>888,051</b>	<b>761,546</b>
<b>Net income before finance costs</b>		<b>4,071,496</b>	<b>2,055,659</b>	<b>22,042,917</b>	<b>1,903,753</b>
<b>Finance Costs:</b>					
Bank interest	2(d)	—	—	(36)	(41)
<b>Total Finance Costs</b>		<b>—</b>	<b>—</b>	<b>(36)</b>	<b>(41)</b>
Taxation	2(i), 4	(27,317)	(15,810)	(130,115)	(72,427)
<b>Increase in net assets attributable to holders of redeemable shares from operations</b>		<b>4,044,179</b>	<b>2,039,849</b>	<b>21,912,766</b>	<b>1,831,285</b>

All of the above results are from continuing operations. There are no recognised gains or losses for the year other than those set out in the Statements of Comprehensive Income. There are no differences between the results above and those under historical cost.

The notes on pages 18 to 33 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the year 1 October 2023 to 30 September 2024

(Comparatives are for the year 1 October 2022 to 30 September 2023)

Notes	US Dollar Bond Class 30 September 2024 USD	US Dollar Bond Class 30 September 2023 USD	Sterling Bond Class 30 September 2024 GBP	Sterling Bond Class 30 September 2023 GBP
Net assets attributable to holders of redeemable shares at the beginning of the year	151,873,799	87,987,674	27,564,583	21,626,382
Proceeds from the issue of shares	5	37,935,062	8,688,116	11,167,404
Payments on the redemption of shares	5	(25,892,295)	(5,793,087)	(5,841,609)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities</b>	<b>15,422,123</b>	<b>(958,662)</b>	<b>1,930,297</b>	<b>612,406</b>
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>	<b>179,338,689</b>	<b>151,873,799</b>	<b>32,389,909</b>	<b>27,564,583</b>

The notes on pages 18 to 33 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares (continued)

For the year 1 October 2023 to 30 September 2024

(Comparatives are for the 1 October 2022 to 30 September 2023)

Notes	US Dollar Enhanced Income Class 30 September 2024 USD	US Dollar Enhanced Income Class 30 September 2023 USD	Total 30 September 2024 USD	Total 30 September 2023 USD
Net assets attributable to holders of redeemable shares at the beginning of the year	55,053,474	56,904,153	240,571,225	169,033,357
Proceeds from the issue of shares 5	38,629,194	14,291,777	87,575,600	114,078,826
Payments on the redemption of shares 5	(19,739,631)	(18,182,305)	(52,974,102)	(46,601,330)
Translation Adjustment*	—	—	3,686,620	2,229,087
<b>Increase in net assets attributable to holders of redeemable shares from investment activities</b>	<b>4,044,179</b>	<b>2,039,849</b>	<b>21,912,766</b>	<b>1,831,285</b>
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>	<b>77,987,216</b>	<b>55,053,474</b>	<b>300,772,109</b>	<b>240,571,225</b>

\*The translation adjustment arises from the translation of opening net assets translated at financial year end 30 September 2023 rates, from the Statement of Comprehensive Income being translated at average rates with the closing assets and liabilities translated at the rates of exchange ruling at 30 September 2024.

The notes on pages 18 to 33 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements

### 1. Incorporation

The Company was originally incorporated in the British Virgin Islands on 19 November 1998 and was incorporated in Jersey, Channel Islands by way of a continuance on 31 March 2003.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented unless otherwise stated. These financial statements have been prepared on a going concern basis under the historical cost convention as modified by the measurement at fair value of investments in accordance with applicable Jersey Law and United Kingdom Generally Accepted Accounting Practice ("UK GAAP") including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"). The Company is an open-ended investment company incorporated by way of a continuance in Jersey on 31 March 2003 under the provisions of the Companies (Jersey) Law 1991 as Melville Douglas European Fund Limited and holds a fund certificate issued pursuant to the Collective Investment Funds (Jersey) Law 1988 and is regulated by the Jersey Financial Services Commission ("JFSC") as an unclassified fund. A summary of the more important accounting policies is set out below.

### 2. Accounting Policies

#### a. Basis of Accounting

These audited annual financial statements for the year ended 30 September 2024 have been prepared in accordance with FRS 102 as issued by the Financial Reporting Council ("FRC").

The Directors of the Company have applied FRS 102 for its annual and FRS 104 "Interim Financial Reporting" for its unaudited interim financial statements effective 1 October 2014.

The information required by FRS 102, to be included in a single statement for the reporting period displaying all items of income and expenses recognised during the period including those items recognised in determining profit or loss and items of other comprehensive income and a Reconciliation of Movements in Shareholders' Funds is, in the opinion of the directors, contained in the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares on pages 13 and 15. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on page 13 and 14 relate to continuing activities.

The Company has availed of the exemption available to open-ended investment funds under Section 7 "Statement of Cash Flows" of FRS 102 (Section 7.1a (c)), not to prepare a cash flow statement on the basis that substantially all of the Company's investments are highly liquid and carried at fair value, and the Company provides a Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares.

#### b. Investments

Investments are recognised on the Statement of Financial Position at the date on which the Company becomes party to contractual provisions of the instruments. Investments are initially recognised at cost which is the fair value at date of recognition. Subsequent to initial recognition, bonds held are valued at closing mid-market price. Funds held are valued at Net Asset Value per unit apart from Exchange Traded Funds held which are valued at exchange price. Gains or losses arising from revaluation are recognised in the Statement of Comprehensive Income.

On disposal of investments, gains and losses on sale of investments are calculated on an average cost basis and are taken to the Statement of Comprehensive Income in the year in which they arise.

On initial application of FRS 102, in accounting for all of its financial instruments, an entity is required to apply either (a) the full requirements of Sections 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102, (b) the recognition and measurement provisions of International Accounting Standards ("IAS") 39 "Financial Instruments: Recognition and Measurement" ("IAS 39") as adopted for use in the European Union and the disclosure requirements of Sections 11 and 12, or (c) the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9 "Financial Instruments" ("IFRS 9") and the disclosure requirements of Sections 11 and 12. The Company has applied FRS 102 from the year ended 30 September 2015 and has elected to apply the full requirements of Sections 11 and Section 12 of FRS 102.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 2. Accounting Policies (continued)

#### c. *Cash and cash equivalents*

Cash is valued at cost, which approximates fair value. Cash is held in accounts at The Bank of New York Mellon SA/NV London Branch which allows the Class Funds instant access to their accounts.

#### d. *Income*

Interest income is recognised using the effective interest rate method. Dividend income is accounted for on the ex-dividend date. Dividend income is reported gross of withholding tax deducted at source and the related withholding tax is disclosed separately as a tax charge in the Statements of Comprehensive Income.

Interest on deposit accounts is included on an accruals basis. Deposit interest and overdraft interest for the year is reported in the Statements of Comprehensive Income.

#### e. *Foreign currencies*

Transactions in foreign currencies are translated into the reporting currency of the Class Funds at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the currency of the Class Funds at the rates of exchange ruling at the Statements of Financial Position date. The functional and reporting currencies of the Class Funds are US Dollars for the US Dollar Bond Class and the US Dollar Enhanced Income Class and Sterling for the Sterling Bond Class.

Differences arising on translation are included in the Statements of Comprehensive Income within income or expenses in the year in which they arise.

#### f. *Share issues and redemptions*

Shares in the Company may be issued at the issue price and redeemed at the redemption price on subscription days at the prices calculated in accordance with the Articles of Association and based on the value of the underlying investments held in the relevant Class Fund. The directors' present policy is that:

- i. On the issue of shares, the amount received is credited to the share capital account.
- ii. On redemption, the amount paid is debited to the share capital account. Should that account be fully utilised, the amount payable on redemption is debited to realised reserves.

Receivable for shares sold and payable for shares redeemed represent amounts that have been contracted for but not yet settled or delivered on the Statement of Financial Position date.

#### g. *Expenses*

The Company is responsible for the payment of management, custodian, sub-custodian and administration fees, which are accrued for on each subscription day (see Note 6). The Company is also responsible for the payment of auditor's and directors' remuneration together with reporting expenses and operational costs in accordance with the prospectus. All expenses are accounted for on an accruals basis.

#### h. *Net gains/(losses) on financial assets at fair value through profit or loss*

This item includes changes in the fair value of financial assets held for trading and excludes interest and dividend income and expenses. Unrealised gains and losses comprise changes in the fair value of financial instruments for the year. Realised gains and losses on disposals are calculated using the average cost method and are reflected as net gains or losses on investments in the Statements of Comprehensive Income.

#### i. *Withholding taxes*

In some jurisdictions investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Portfolio. Withholding tax is disclosed separately as a tax charge from the gross investment income in the Statements of Comprehensive Income.

#### j. *Distribution policy*

The Company's policy is to not distribute any income on its participating shares.

## Melville Douglas Income Fund Limited

### Notes to the Financial Statements (continued)

#### 3. Gains and losses on financial assets at fair value through profit or loss

	US Dollar Bond Class	US Dollar Bond Class	Sterling Bond Class	Sterling Bond Class	US Dollar Enhanced Income Class	US Dollar Enhanced Income Class	Total Class	Total Class	Total Class	US Dollar Enhanced Income USD
	30 September 2024	30 September 2024	30 September 2023	30 September 2023	30 September 2023	30 September 2024	2023	2023	2024	30 September 2023 USD
<b>Non-derivative securities:</b>										
Net realised loss on investments	(66,213)	(180,334)	(372,102)	(682,032)	(96,844)	(89,310)	(634,660)	(634,660)	(1,105,023)	
Net movement in unrealised investment schemes	9,921,326	(3,998,976)	1,322,831	710,619	917,263	602,770	12,515,149	12,515,149	(2,525,813)	
	<u>9,855,113</u>	<u>(4,179,310)</u>	<u>950,729</u>	<u>28,587</u>	<u>820,419</u>	<u>513,460</u>	<u>11,880,489</u>	<u>11,880,489</u>	<u>(3,630,836)</u>	
<b>Derivative securities:</b>										
Net movement in unrealised foreign currency	—	—	(2,261)	178	—	—	(2,866)	(2,866)	218	
	<u>—</u>	<u>—</u>	<u>(2,261)</u>	<u>178</u>	<u>—</u>	<u>—</u>	<u>(2,866)</u>	<u>(2,866)</u>	<u>218</u>	
<b>Net gain/(loss) on financial assets at fair value through profit or loss</b>	<b>9,855,113</b>	<b>(4,179,310)</b>	<b>948,468</b>	<b>28,765</b>	<b>820,419</b>	<b>513,460</b>	<b>11,877,623</b>	<b>(3,630,618)</b>		

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 4. Taxation

For the purposes of Jersey taxation, the Company will fall under Article 123C of the Income Tax (Jersey) Law 1961, as amended, as a Jersey resident Company which is neither a “utility company” nor a “financial services company” and as such will be charged to Jersey income tax at a rate of 0% on its income (other than on any rental income or property development profits arising in respect of Jersey situs real property or land). The Company will not be subject to tax in Jersey on any capital arising to it.

Under applicable foreign tax laws, withholding taxes may be deducted from interest, dividends and capital gains attributable to the Company, at various rates. The Company pays withholding tax on dividends, which is deducted at source. This is shown separately as a taxation charge in the Statement of Comprehensive Income.

	30 September 2024	30 September 2023
	USD	USD
<b>US Dollar Bond Class</b>		
Overseas tax - withholding tax on dividend income	101,879	65,843
<b>Sterling Bond Class</b>		
Overseas tax - withholding tax on dividend income	725	7,532
<b>US Dollar Enhanced Income Class</b>		
Overseas tax - withholding tax on dividend income	27,317	15,810
<b>Total MD Income Funds</b>		
Overseas tax - withholding tax on dividend income	130,115	72,427

### 5. Share capital

The Company is authorised to issue 100 management shares of USD1.00 each and an unlimited number of participating shares of no par value.

The management shares exist solely to comply with Companies (Jersey) Law 1991 which requires that participating redeemable preference shares (“participating shares”) must have a preference over another class of capital. The holders of the management shares are entitled to receive notice of general meetings of the Company and to attend and vote thereat. On a poll a holder of management shares is entitled to one vote for each management share held by him/her. Management shares carry no right to a dividend and are not redeemable. In a winding up, they rank only for a return of paid up nominal capital out of the assets of the Company (before the return of nominal capital paid up on participating shares).

Participating shares carry the right to a proportionate share in the assets of the relevant Class Fund and to any dividends that may be declared. Holders of the shares are entitled to receive notice of all general meetings of the Company and to attend and vote thereat. The holder of each share is entitled to one vote for each share of which he is a holder. Shares are redeemable by shareholders at prices based on the value of the net assets of the relevant Class Fund as determined in accordance with its Articles of Association.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 5. Share capital (continued)

#### *Management shares*

The management shares have been issued to the Manager at par and the proceeds of the issue are represented by a separate management fund. Details of the management fund at the Statements of Financial Position date are as follows:

	30 September 2024	30 September 2023
	USD	USD
Current account	100	100
Management shares of USD1.00 each	100	100
Authorised, issued and fully paid	100	100

The management fund is not reflected in the Statements of Financial Position.

#### *Movements of participating shares*

The following table shows the movement in participating shares during the year ended 30 September 2024.

	Number of shares at 30 September 2023	Issued during the year	Redeemed during the year	Number of shares at 30 September 2024
US Dollar Bond Class - Class A Shares	173,230	(10,230)	(34,002)	128,998
US Dollar Bond Class - Class B Shares	118,533	3,193	(17,666)	104,060
US Dollar Bond Class - Class C Shares	1,128	12,613	(1,143)	12,598
US Dollar Bond Class - Class P Shares*	–	13,038	–	13,038
US Dollar Bond Class - Class X Shares	12,203,898	3,756,157	(1,895,057)	14,064,998
Sterling Bond Class - Class A Shares	25,614	(1,443)	(1,691)	22,480
Sterling Bond Class - Class B Shares	26,729	3,330	(17,107)	12,952
Sterling Bond Class - Class P Shares*	–	10,250	–	10,250
Sterling Bond Class - Class X Shares	2,644,357	907,505	(558,821)	2,993,041
US Dollar Enhanced Income Class - Class B Shares	13,849	12,674	–	26,523
US Dollar Enhanced Income Class - Class C Shares	13,849	4,826	–	18,675
US Dollar Enhanced Income Class - Class P Shares*	–	13,038	–	13,038
US Dollar Enhanced Income Class - Class X Shares	5,213,289	3,553,483	(1,808,889)	6,957,883

\*Effective 25 January 2024, US Dollar Bond Class Fund launched US Dollar Bond P Class, Sterling Bond Class Fund launched Sterling Bond P Class and US Dollar Enhanced Income Class Fund launched Enhanced Income USD Class P.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 5. Share capital (continued)

The following table shows the movement in participating shares during the year ended 30 September 2023.

	Number of shares at 30 September 2022	Issued during the year	Redeemed during the year	Number of shares at 30 September 2023
US Dollar Bond Class - Class A Shares	169,459	57,242	(53,471)	173,230
US Dollar Bond Class - Class B Shares	220,805	19,202	(121,474)	118,533
US Dollar Bond Class - Class C Shares	1,159	—	(31)	1,128
US Dollar Bond Class - Class X Shares	5,848,883	7,466,329	(1,111,314)	12,203,898
Sterling Bond Class - Class A Shares	30,713	5,314	(10,413)	25,614
Sterling Bond Class - Class B Shares	26,729	—	—	26,729
Sterling Bond Class - Class X Shares	2,022,960	1,133,086	(511,689)	2,644,357
US Dollar Enhanced Income Class - Class B Shares*	—	13,849	—	13,849
US Dollar Enhanced Income Class - Class C Shares*	—	13,849	—	13,849
US Dollar Enhanced Income Class - Class X Shares	5,626,238	1,347,560	(1,760,509)	5,213,289

\*Effective 4 August 2023, US Dollar Enhanced Income Class Fund launched Enhanced Income USD Class B and Enhanced Income USD Class C shares.

### 6. Related Party Transactions and Other Expenses

The following disclosures are made in accordance with the requirements of Section 33 "Related Party Disclosures" of FRS 102.

STANLIB Fund Managers Jersey Limited (the "Manager"), Melville Douglas Investment Management (Proprietary) Limited (the "Investment Manager") and all non-independent directors of the Company are related parties of the Company.

The Manager is considered a related party by virtue of its contractual arrangements. The Investment Manager and the directors are considered related parties to the Company as they make key operating decisions for the Company.

The Manager has the primary responsibility for the management and administration of the Company. The Manager has appointed the Investment Manager to provide it with investment management services in relation to the Company. The fees of the Investment Manager are paid by the Manager out of its fees.

For the US Dollar Bond Class and the Sterling Bond Class, the annual management fee payable to the Manager monthly in arrears is calculated as 0.95% of the net asset value of each Class A Shares, 1.05% for the Class B Shares, 0.75% for Class C Shares, 0.55% for Class P Shares and 0.15% for Class X Shares. For the US Dollar Enhanced Income Class, the annual management fee payable to the Manager monthly in arrears is calculated as 0.95% of the net asset value of the Class B Shares, 0.75% for Class C Shares, 0.55% for Class P Shares and 0.15% for Class X Shares.

The above amounts accrue on each subscription day and are payable to the Manager by monthly payments in arrears.

The Custodian has agreed with the Company that it will be paid a fee at the following rates, subject to an overall minimum fee in respect of each Class Fund of USD5,000 per annum.

On amounts less than USD50 million 0.035%

On amounts of more than USD50 million, but less than USD100 million 0.025%

On amounts of more than USD100 million, but less than USD500 million 0.010%

On amounts over USD500 million 0.005%

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 6. Related Party Transactions and Other Expenses (continued)

Such fees shall accrue daily and shall be payable to the Custodian by monthly payments in arrears becoming due on the first business day of each month in respect of the preceding month.

The Custodian is also entitled to be reimbursed out of the Class Funds for charges and transaction fees levied on it by the Sub-Custodian and other sub-custodians which shall be at rates which have been negotiated on an arm's length basis or are otherwise on commercial terms.

Michael Farrow is entitled to receive up to GBP29,000 per annum from the Company as director fees. Oliver Sonnbichler, Michael Laws and Robert Stewart are entitled to receive up to USD10,000 per director per annum from the Company.

For the US Dollar Bond Class directors fees incurred during the year ended 30 September 2024 amounted to USD22,485 (30 September 2023: USD21,122) with USD5,382 (30 September 2023: USD5,835) outstanding at the year end.

For the Sterling Bond Class directors fees incurred during the year ended 30 September 2024 amounted to GBP4,352 (30 September 2023: GBP4,841) with GBP1,080 (30 September 2023: GBP1,093) outstanding at the year end.

For the US Dollar Enhanced Income Class directors fees incurred during the year ended 30 September 2024 amounted to USD9,361 (30 September 2023: USD9,879) with USD2,618 (30 September 2023: USD2,080) outstanding at the year end.

The fees incurred during the year ended 30 September 2024 and 30 September 2023 are as disclosed in the Statements of Comprehensive Income with the amounts outstanding at the year end disclosed in the Statements of Financial Position.

### 7. Financial risk management

Consistent with the investment objectives, as noted in the Report of the Directors, the Company's financial instruments comprise mainly equity shares, debt and fixed income securities and collective investment securities. In addition, the Company holds cash, liquid assets and various items such as debtors and creditors that arise directly from its operations.

The main risks arising from the Company's financial instruments are market risk (comprising market price risk, interest rate risk and currency risk), credit risk and liquidity risk. The Board reviews and agrees with the Manager and Investment Manager policies for managing each of these risks and they are summarised below.

#### 7.1. Market risk

Market risk is the risk that the fair value of, or future cash flows arising from, financial instruments will fluctuate because of the changes in market variables. Market risk comprises three types of risks: market price risk, interest rate risk and currency risk.

##### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Class Funds' business. It represents the potential loss the Company may suffer due to price movements in securities prices.

Market price risk is mainly reduced through diversification. Investment restrictions are in place to ensure that the impact of market price risk is minimised. Full details of the investment restrictions are set out in the Prospectus.

##### Sensitivity analysis

The table below summarises the sensitivity of the Class Funds' net assets attributable to holders of redeemable shares to market price movements. It shows the increase/(decrease) in the net assets attributable to holders of redeemable shares for the Class Funds' given a 5% movement in the underlying

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Market price risk (continued)

investment prices at year end; all other variables remaining constant (5% is considered to be a reasonable possible change in price):

		30 September 2024	30 September 2023
US Dollar Bond Class	USD	8,914,801	7,446,820
Sterling Bond Class	GBP	1,599,346	1,342,291
US Dollar Enhanced Income Class	USD	3,880,759	2,753,826

##### Interest rate risk

Interest rate risk is the risk that the fair value of, or future cash flows arising from, the financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk, as the instruments held comprise short and long term fixed and floating rate interest investments. Market forces (in terms of a general increase or decrease in interest rates in a particular currency) may therefore have a detrimental or positive effect on the carrying value of its financial instruments and income generated thereon, depending upon the average maturity of the portfolio held.

In accordance with the Class Funds' policy, the Investment Manager and Board of directors monitor the Class Funds' overall interest sensitivity on a regular basis.

The breakdown of the Class Funds' assets as at 30 September 2024 and 30 September 2023 is detailed in Note 7.4 Fair Value Hierarchy. The tables below indicate the weighted average interest received on fixed rate financial assets and the weighted average period for which the rate is fixed:

30 September 2024		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
US Dollar Bond Class	1.99%	5 years 2 months

30 September 2023		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
US Dollar Bond Class	2.12%	5 years 11 months

30 September 2024		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
Sterling Bond Class	1.56%	5 years 4 months

30 September 2023		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
Sterling Bond Class	1.44%	5 years 9 months

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Interest rate risk (continued)

30 September 2024		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
US Dollar Enhanced Income Class	1.69%	5 months

30 September 2023		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
US Dollar Enhanced Income Class	2.38%	1 year

The below tables show the split between fixed rate financial assets and floating rate financial assets.

#### US Dollar Bond Class

30 September 2024

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	141,442,294	1,596,099	36,300,296	179,338,689
	<u>141,442,294</u>	<u>1,596,099</u>	<u>36,300,296</u>	<u>179,338,689</u>

#### US Dollar Bond Class

30 September 2023

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	119,418,593	981,110	31,474,096	151,873,799
	<u>119,418,593</u>	<u>981,110</u>	<u>31,474,096</u>	<u>151,873,799</u>

#### Sterling Bond Class

30 September 2024

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
GBP	25,694,168	—	6,695,741	32,389,909
	<u>25,694,168</u>	<u>—</u>	<u>6,695,741</u>	<u>32,389,909</u>

#### Sterling Bond Class

30 September 2023

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
GBP	21,387,071	160,765	6,016,747	27,564,583
	<u>21,387,071</u>	<u>160,765</u>	<u>6,016,747</u>	<u>27,564,583</u>

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Interest rate risk (continued)

US Dollar Enhanced Income Class  
30 September 2024

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	70,344,030	—	7,643,186	77,987,216
	<u>70,344,030</u>	<u>—</u>	<u>7,643,186</u>	<u>77,987,216</u>

US Dollar Enhanced Income Class  
30 September 2023

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	51,051,985	882,999	3,118,490	55,053,474
	<u>51,051,985</u>	<u>882,999</u>	<u>3,118,490</u>	<u>55,053,474</u>

Total  
30 September 2024

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	246,251,196	1,596,099	52,924,814	300,772,109
	<u>246,251,196</u>	<u>1,596,099</u>	<u>52,924,814</u>	<u>300,772,109</u>

Total  
30 September 2023

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	196,574,568	2,060,331	41,936,327	240,571,225
	<u>196,574,568</u>	<u>2,060,331</u>	<u>41,936,327</u>	<u>240,571,225</u>

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Interest rate risk (continued)

###### Interest rate sensitivity

An increase of 100 basis points in interest rates as at the reporting date would have decreased the net assets attributable to holders of redeemable participating shares for each Class Fund by approximately:

		30 September 2024	30 September 2023
<b>Class Fund</b>			
US Dollar Bond Class	USD	1,430,384	1,203,997
Sterling Bond Class	GBP	256,942	215,478
US Dollar Enhanced Income Class	USD	703,440	519,350

###### Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, financial instruments will fluctuate because of changes in foreign exchange rates.

The Class Funds' assets and liabilities may be denominated in currencies other than the reporting currency of the Class Fund. Therefore the value of such assets and liabilities may be affected favourably or unfavourably by fluctuations in currency rates.

The Company may enter into derivative transactions for the purposes of hedging against currency risk on behalf of the Class Funds, subject to various maximum exposure limits.

The tables below show the currency exposure of each Class Fund as at 30 September 2024 and 30 September 2023.

###### US Dollar Bond Class

Exposure currency 30 September 2024	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
USD	178,296,016	863,351	179,322	179,338,689	100.00
	<u>178,296,016</u>	<u>863,351</u>	<u>179,322</u>	<u>179,338,689</u>	<u>100.00</u>

###### US Dollar Bond Class

Exposure currency 30 September 2023	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
USD	148,936,402	1,709,916	1,227,481	151,873,799	100.00
	<u>148,936,402</u>	<u>1,709,916</u>	<u>1,227,481</u>	<u>151,873,799</u>	<u>100.00</u>

###### Sterling Bond Class

Exposure currency 30 September 2024	Investments GBP	Cash GBP	Other net assets GBP	Total net assets GBP	% of net assets
EUR	583,013	8,714	8,776	600,503	1.85
GBP	28,526,288	265,505	73,864	28,865,657	89.12
USD	2,877,627	27,792	18,330	2,923,749	9.03
	<u>31,986,928</u>	<u>302,011</u>	<u>100,970</u>	<u>32,389,909</u>	<u>100.00</u>

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Currency risk (continued)

###### Sterling Bond Class

Exposure currency 30 September 2023	Investments GBP	Cash GBP	Other net assets GBP	Total net assets GBP	% of net assets
EUR	602,041	18,125	3,440	623,606	2.26
GBP	23,441,868	440,786	205,964	24,088,618	87.39
USD	2,801,901	24,836	25,622	2,852,359	10.35
	<u>26,845,810</u>	<u>483,747</u>	<u>235,026</u>	<u>27,564,583</u>	<u>100.00</u>

###### US Dollar Enhanced Income Class

Exposure currency 30 September 2024	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
USD	77,615,170	211,456	160,590	77,987,216	100.00
	<u>77,615,170</u>	<u>211,456</u>	<u>160,590</u>	<u>77,987,216</u>	<u>100.00</u>

###### US Dollar Enhanced Income Class

Exposure currency 30 September 2023	Investments USD	Cash USD	Other net liabilities USD	Total net assets USD	% of net assets
USD	55,076,516	351,489	(374,531)	55,053,474	100.00
	<u>55,076,516</u>	<u>351,489</u>	<u>(374,531)</u>	<u>55,053,474</u>	<u>100.00</u>

Currency risk is not managed in its separate form. Significant currency risk arises from the portfolio of investments denominated in foreign currencies and this affects the carrying value of the securities, hence is considered as part of price risk.

The following sensitivity analysis shows the change in the net assets of a Class Fund given a 5% increase or decrease in the value of a foreign currency relative to the Class Funds' reporting currency for all significant foreign currency positions of the Class Fund (5% is considered to be a reasonable possible change in foreign currency rates). US Dollar Bond Class and US Dollar Enhanced Income Class have no foreign currency exposure for the year ended 30 September 2024 and year ended 30 September 2023.

Sterling Bond Class	Change in net assets		Change in net assets	
	30 September 2024	GBP	30 September 2023	GBP
EUR	+/-5%	30,025		31,180
USD	+/-5%	146,187		142,618

#### 7.2. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its liabilities as they fall due. This also relates to the risk that the Company may not be able to realise its investments at current market values in time to meet its obligations.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.2. Liquidity risk (continued)

Shareholders have the right to redeem their shares in the Company at every subscription day. The Company therefore needs to have adequate liquid resources to meet these redemptions and the maturity profile of the Company's investments may affect the Company's liability to meet the redemptions if the weighted average days to maturity is longer than the weighted average days to redemption.

Liquidity risk in relation to funding of redemptions is managed by receiving daily notifications of forthcoming redemption notices and ensuring sufficient liquidity within the portfolio. Although substantial redemptions of shares in the Class Funds could require the Class Funds to liquidate their investments more rapidly than otherwise desirable in order to raise cash for the redemptions, the Directors may restrict redemption of shares to no more than 20% of the issued shares of any Share Class on any Dealing Day, with excess requests being scaled back on a pro-rata basis, with the balance being carried forward to the next Dealing Day and so on until all the Shares concerned have been redeemed.

#### 7.3. Credit risk

Credit risk is the risk that counterparties will be unable or unwilling to meet commitments they have entered into with the Class Funds under the contractual or agreed terms. The Class Funds' main credit risk derives from its investments in bonds, term deposits and cash and cash equivalents. The risk mainly arises from the possibility of default from the institutions in paying interest and capital when due and also the inability by the custodians of cash and cash equivalents to make available the cash to the Class Funds on demand.

The risk arising from debtors is considered minimal and therefore not actively managed. Significant debtors arise from outstanding sales receipts. This is controlled by ensuring that securities are not transferred before settlement. Debtors arising from dividends and interest received are not considered material for the purpose of credit risk exposure.

Each Class Fund is restricted to investing no more than 10% of its net asset value in any one issuer and to investing in no more than 10% of the total nominal amount of all issued securities of the same class in the invested corporation. These limits are tested on a daily basis by the Administrator, on a monthly basis by the Manager and confirmation of adherence is received by the Board of Directors on a quarterly basis, in order to demonstrate effective control. The credit ratings of the investments are disclosed in Portfolio Statements (Unaudited).

The Class Funds are not exposed to significant credit risk from the Custodian, Sub-Custodian and banker as all investments of the Class Funds are maintained in a segregated account, which are designated as client assets and are not co-mingled with any proprietary assets of the Custodian. The Class Funds will, however, be exposed to the credit risk of the Custodian, or any depositary used by the Custodian, in relation to the Class Fund's cash held by the Custodian. In event of the insolvency or bankruptcy of the Custodian, the Class Funds will be treated as a general creditor of the Custodian in relation to cash holdings of the Class Funds.

The Custodian, Apex Financial Services (Corporate) Limited is not rated with Standard & Poor's, Moody's or Fitch.

For the year ended 30 September 2024 the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2023: AA-) with Standard & Poor's, Aa2 (2023: Aa2) with Moody's and AA (2023: AA) with Fitch.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.4. Fair value hierarchy

The FRC issued "Amendments to FRS 102 - Fair value hierarchy disclosures", effective for accounting periods beginning on or after 1 January 2017, with early adoption permitted. FRED 62 proposed to amend paragraphs 34.22 and 34.42 of FRS 102 to require disclosure of financial instruments held at fair value on the basis of a fair value hierarchy consistent with EU-adopted IFRS based on Level 1, 2 and 3 classifications. The Company has availed of early adoption thus the financial statements and comparatives have been prepared in accordance with these amendments and fair value measurement is categorised based on Levels 1, 2 and 3. These amendments did not have any impact on the Funds' financial position or performance.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted mid-market prices on the year end date or in the case of fund of funds are based on the net asset value per unit.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The fair value hierarchy has the following levels:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.4. Fair value hierarchy (continued)

The following tables analyse within the fair value hierarchy the Companies financial assets measured at fair value at 30 September 2024 and 30 September 2023 in accordance with FRS 102.

#### 30 September 2024

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>US Dollar Bond Class</b>				
Investment Companies	35,257,623	—	—	35,257,623
Corporate Bonds	—	20,497,308	—	20,497,308
Government Bonds	122,541,085	—	—	122,541,085
<b>Total Assets</b>	<b>157,798,708</b>	<b>20,497,308</b>	—	<b>178,296,016</b>

#### 30 September 2023

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>US Dollar Bond Class</b>				
Investment Companies	28,536,699	—	—	28,536,699
Corporate Bonds	—	26,430,389	—	26,430,389
Government Bonds	93,969,314	—	—	93,969,314
<b>Total Assets</b>	<b>122,506,013</b>	<b>26,430,389</b>	—	<b>148,936,402</b>

#### 30 September 2024

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Sterling Bond Class</b>				
Investment Companies	6,292,760	—	—	6,292,760
Corporate Bonds	—	7,462,624	—	7,462,624
Government Bonds	18,231,544	—	—	18,231,544
<b>Total Assets</b>	<b>24,524,304</b>	<b>7,462,624</b>	—	<b>31,986,928</b>

#### 30 September 2023

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Sterling Bond Class</b>				
Investment Companies	5,297,974	—	—	5,297,974
Corporate Bonds	—	6,224,198	—	6,224,198
Government Bonds	14,381,167	942,471	—	15,323,638
<b>Total Assets</b>	<b>19,679,141</b>	<b>7,166,669</b>	—	<b>26,845,810</b>

#### 30 September 2024

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>US Dollar Enhanced Income Class</b>				
Investment Companies	7,271,140	—	—	7,271,140
Corporate Bonds	—	32,649,082	—	32,649,082
Government Bonds	35,191,823	2,503,125	—	37,694,948
<b>Total Assets</b>	<b>42,462,963</b>	<b>35,152,207</b>	—	<b>77,615,170</b>

#### 30 September 2023

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>US Dollar Enhanced Income Class</b>				
Investment Companies	3,141,532	—	—	3,141,532
Corporate Bonds	—	26,181,103	—	26,181,103
Government Bonds	25,457,554	296,327	—	25,753,881
<b>Total Assets</b>	<b>28,599,086</b>	<b>26,477,430</b>	—	<b>55,076,516</b>

There were no transfers between levels for the financial period ended 30 September 2024. There were no transfers between levels for the financial year ended 30 September 2023.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 8. Exchange rates

The following exchange rates at 30 September 2024 and 30 September 2023 were used to translate foreign currency assets and liabilities.

#### US Dollar Bond Class and US Dollar Enhanced Income Class

	Year End Exchange Rates		Annual Average Exchange Rates	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
USD/EUR	0.89604	0.94449	0.92225	0.93673
USD/GBP	0.74552	0.81930	0.78865	0.81534

#### Sterling Bond Class

	Year End Exchange Rates		Annual Average Exchange Rates	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
GBP/EUR	1.20190	1.15280	1.16918	1.14865
GBP/USD	1.34135	1.22055	1.26739	1.22484

### 9. Significant events during the year

In November 2023, an updated prospectus of the Fund was issued.

Effective 25 January 2024, a P Class was launched for the US Dollar Bond Fund, the Sterling Bond Fund, and the US Dollar Enhanced Income Fund.

Mr Stewart resigned as a Director of the Funds effective on 31 August 2024.

There were no other significant events during the year that require disclosure in the financial statements.

### 10. Post statement of financial position events

David Jardine was appointed as a Director for each Funds effective 21 November 2024.

There were no other significant post statement of financial position events that require disclosure in these financial statements.

### 11. Contingent Liabilities

There were no contingent liabilities as at 30 September 2024 or as at 30 September 2023.

### 12. Approval of financial statements

The financial statements were approved by the Directors on 22 January 2025.

# Melville Douglas Income Fund Limited

## Portfolio Statement

### US Dollar Bond Class

As at 30 September 2024

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>					
<b>99.42% (30 September 2023: 98.07%)</b>					
<b>Investment Companies</b>	<b>19.66%</b>	<b>(30 September 2023: 18.79%)</b>			
<b>Ireland</b>					
iShares USD Corp Bond UCITS ETF	151,165	15,559,723	15,980,408	8.91	NR
iShares USD Short Duration Corp Bond UCITS ETF	131,780	13,227,857	13,234,665 29,215,073	7.38 16.29	NR
<b>United States</b>					
iShares iBoxx High Yield Corporate Bond ETF	75,245	6,052,482	6,042,550 6,042,550	3.37 3.37	NR
<b>Total Investment Companies</b>			<b>35,257,623</b>	<b>19.66</b>	
<b>Corporate Bonds</b>	<b>11.43%</b>	<b>(30 September 2023: 17.41%)</b>			
<b>International</b>					
European Investment Bank 2.500% 15/10/2024	6,450,000	6,451,667	6,443,792	3.59	Aaa
Inter-American Development Bank 'GMTN' 1.125% 13/01/2031	9,000,000	8,500,627	7,686,806 14,130,598	4.29 7.88	Aaa
<b>United States</b>					
Amazon.com Inc 4.700% 01/12/2032	1,900,000	1,938,579	1,977,343	1.10	A1
JPMorgan Chase & Co FRN 6.087% 23/10/2029	1,500,000	1,555,636	1,596,099	0.89	A1
UnitedHealth Group Inc 2.875% 15/08/2029	1,900,000	1,777,012	1,803,773	1.01	A2
Visa Inc 3.150% 14/12/2025	1,000,000	1,008,675	989,495 6,366,710	0.55 3.55	Aa3
<b>Total Corporate Bonds</b>			<b>20,497,308</b>	<b>11.43</b>	
<b>Government Bonds</b>	<b>68.33%</b>	<b>(30 September 2023: 61.87%)</b>			
<b>United States</b>					
United States Treasury Bill (Zero Coupon) 0.000% 19/11/2024	19,000,000	18,879,973	18,879,729	10.53	Aaa
United States Treasury Note/Bond 2.250% 15/02/2027	10,960,000	10,896,296	10,623,850	5.92	Aaa
United States Treasury Note/Bond 2.625% 15/02/2029	8,450,000	8,353,886	8,126,198	4.53	Aaa
United States Treasury Note/Bond 1.750% 15/11/2029	26,950,000	25,392,767	24,692,301	13.77	Aaa

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Bond Class (continued)

As at 30 September 2024 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b> <b>99.42% (30 September 2023: 98.07%)</b> <b>(continued)</b>					
<b>Government Bonds 68.33% (30 September 2023: 61.87%) (continued)</b>					
<b>United States (continued)</b>					
United States Treasury Note/Bond 1.875% 15/02/2032	44,810,000	40,165,172	39,579,519	22.07	Aaa
United States Treasury Note/Bond 3.500% 15/02/2033	21,000,000	19,968,752	<u>20,639,488</u> <u>122,541,085</u>	<u>11.51</u> <u>68.33</u>	<u>Aaa</u>
<b>Total Government Bonds</b>			<b>122,541,085</b>	<b>68.33</b>	
<b>Total Investments</b>		<b>179,729,104</b>	<b>178,296,016</b>	<b>99.42</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>178,296,016</b>	<b>99.42</b>	
Total Investments		178,296,016	99.42		
Net current assets		<u>1,042,673</u>	<u>0.58</u>		
<b>Total net assets</b>		<b><u>179,338,689</u></b>	<b><u>100.00</u></b>		

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### Sterling Bond Class

As at 30 September 2024

	Nominal Holding	Cost GBP	Fair Value GBP	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.76% (30 September 2023: 97.39%)</b>					
<b>Investment Companies 19.43% (30 September 2023: 19.22%)</b>					
<b>Ireland</b>					
iShares Core GBP Corp Bond UCITS ETF	22,220	2,713,096	2,728,838	8.43	NR
iShares EUR High Yield Corp Bond UCITS ETF	3,710	333,046	285,157	0.88	NR
iShares GBP Corp Bond 0-5yr UCITS ETF	22,900	2,375,958	2,302,938	7.11	NR
iShares USD High Yield Corp Bond UCITS ETF	186,720	850,054	820,168 6,137,101	2.53 18.95	NR
<b>United States</b>					
iShares iBoxx High Yield Corporate Bond ETF	2,600	156,767	155,659	0.48	NR
<b>Total Investment Companies</b>			<b>6,292,760</b>	<b>19.43</b>	
<b>Corporate Bonds 23.04% (30 September 2023: 22.58%)</b>					
<b>Germany</b>					
Kreditanstalt fuer Wiederaufbau 'EMTN' 3.125% 10/10/2028	347,000	299,646	297,856	0.92	Aaa
<b>International</b>					
European Investment Bank 3.875% 15/03/2028	1,850,000	1,465,988	1,385,822	4.28	Aaa
Inter-American Development Bank 0.500% 15/09/2026	1,795,000	1,780,544	1,672,635	5.16	Aaa
International Bank for Reconstruction & Development 1.000% 21/12/2029	3,200,000	2,991,224	2,758,000 5,816,457	8.52 17.96	Aaa
<b>United Kingdom</b>					
BAT International Finance Plc 'EMTN' 2.250% 26/06/2028	300,000	274,304	273,101	0.84	Baa1
Experian Finance Plc 'EMTN' 3.250% 07/04/2032	300,000	264,261	273,958	0.85	A3
GlaxoSmithKline Capital Plc 'EMTN' 3.375% 20/12/2027	400,000	405,134	391,308	1.21	A2
Unilever Plc 'EMTN' 1.875% 15/09/2029	350,000	315,848	314,515 1,252,882	0.97 3.87	A1

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### Sterling Bond Class (continued)

As at 30 September 2024 (continued)

	Nominal Holding	Cost GBP	Fair Value GBP	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.76% (30 September 2023: 97.39%) (continued)</b>					
<b>Corporate Bonds 23.04% (30 September 2023: 22.58%) (continued)</b>					
<b>United States</b>					
Nestle Holdings Inc 'EMTN' 0.625% 18/12/2025	100,000	99,992	95,429	0.29	Aa3
<b>Total Corporate Bonds</b>			<b>7,462,624</b>	<b>23.04</b>	
<b>Government Bonds 56.29% (30 September 2023: 55.59%)</b>					
<b>United Kingdom</b>					
United Kingdom Gilt 1.625% 22/10/2028	3,100,000	2,869,859	2,862,478	8.84	Aa3
United Kingdom Gilt 0.875% 22/10/2029	3,975,000	3,783,511	3,460,834	10.68	Aa3
United Kingdom Gilt 1.000% 31/01/2032	11,300,000	9,444,970	9,260,124	28.59	Aa3
United Kingdom Gilt 4.625% 31/01/2034	1,250,000	1,303,184	1,311,962	4.05	Aa3
			<u>16,895,398</u>	<u>52.16</u>	
<b>United States</b>					
United States Treasury Note/Bond 2.875% 30/04/2025	1,807,000	1,386,769	1,336,146	4.13	Aaa
<b>Total Government Bonds</b>			<b>18,231,544</b>	<b>56.29</b>	
<b>Total Investments</b>		<b>33,114,155</b>	<b>31,986,928</b>	<b>98.76</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>					
			<b>31,986,928</b>	<b>98.76</b>	
Total Investments			31,986,928	98.76	
Net current assets			<u>402,981</u>	<u>1.24</u>	
<b>Total net assets</b>			<b><u>32,389,909</u></b>	<b><u>100.00</u></b>	

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Enhanced Income Class

As at 30 September 2024

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 99.52% (30 September 2023: 100.04%)</b>					
<b>Investment Companies 9.32% (30 September 2023: 5.71%)</b>					
<b>Ireland</b>					
iShares USD Short Duration Corp Bond UCITS ETF	27,085	2,812,944	2,720,147	3.48	NR
iShares iBonds Dec 2025 Term USD Corp UCITS ETF	24,850	2,579,380	2,658,204 5,378,351	3.41 6.89	NR
<b>United States</b>					
iShares iBoxx High Yield Corporate Bond ETF	23,570	1,900,478	1,892,789 1,892,789	2.43 2.43	NR
<b>Total Investment Companies</b>			<b>7,271,140</b>	<b>9.32</b>	
<b>Corporate Bonds 41.86% (30 September 2023: 47.55%)</b>					
<b>Germany</b>					
Kreditanstalt fuer Wiederaufbau 1.250% 31/01/2025	2,120,000	2,094,552	2,097,418	2.69	Aaa
Kreditanstalt fuer Wiederaufbau 2.500% 20/11/2024	1,650,000	1,643,540	1,644,180	2.11	Aaa
Kreditanstalt fuer Wiederaufbau 5.125% 29/09/2025	3,250,000	3,248,359	3,287,594 7,029,192	4.21 9.01	Aaa
<b>International</b>					
Asian Development Bank 'GMTN' 2.875% 06/05/2025	2,825,000	2,786,704	2,800,223	3.59	Aaa
Asian Development Bank 'GMTN' 2.000% 22/01/2025	3,500,000	3,471,991	3,471,752	4.45	Aaa
Asian Development Bank 'GMTN' 1.000% 14/04/2026	1,000,000	940,209	958,206	1.23	Aaa
European Bank for Reconstruction & Development 'GMTN' 1.500% 13/02/2025	3,296,000	3,250,632	3,258,821	4.18	Aaa
Inter-American Development Bank 0.625% 15/07/2025	4,425,000	4,274,678	4,305,487	5.52	Aaa
Inter-American Development Bank 2.125% 15/01/2025	2,800,000	2,774,424	2,779,394 17,573,883	3.57 22.54	Aaa
<b>Netherlands</b>					
Iberdrola International BV 5.810% 15/03/2025	1,000,000	1,000,716	1,006,063	1.29	Baa1

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Enhanced Income Class (continued)

As at 30 September 2024 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 99.52% (30 September 2023: 100.04%) (continued)</b>					
<b>Corporate Bonds 41.86% (30 September 2023: 47.55%) (continued)</b>					
<b>United States</b>					
Amazon.com Inc 3.800% 05/12/2024	1,500,000	1,496,393	1,496,227	1.92	A1
Boston Scientific Corp 1.900% 01/06/2025	1,400,000	1,368,534	1,372,310	1.76	Baa1
Elevance Health Inc 3.350% 01/12/2024	1,700,000	1,693,674	1,694,581	2.17	Baa2
Elevance Health Inc 2.375% 15/01/2025	738,000	731,184	732,554	0.94	Baa2
Starbucks Corp 3.800% 15/08/2025	1,755,000	1,737,957	1,744,272	2.23	Baa1
			7,039,944	9.02	
<b>Total Corporate Bonds</b>			<b>32,649,082</b>	<b>41.86</b>	
<b>Government Bonds 48.34% (30 September 2023: 46.78%)</b>					
<b>South Africa</b>					
Republic of South Africa Government International Bond 4.875% 14/04/2026	2,500,000	2,500,272	2,503,125	3.21	Ba2
<b>United States</b>					
United States Treasury Bill (Zero Coupon) 0.000% 26/12/2024	1,250,000	1,236,712	1,236,634	1.59	Aaa
United States Treasury Bill (Zero Coupon) 0.000% 14/11/2024	11,800,000	11,724,177	11,732,784	15.05	Aaa
United States Treasury Bill (Zero Coupon) 0.000% 24/10/2024	11,750,000	11,710,432	11,714,714	15.02	Aaa
United States Treasury Note/Bond 2.875% 30/04/2025	5,500,000	5,441,444	5,455,074	7.00	Aaa
United States Treasury Note/Bond 1.375% 31/01/2025	1,500,000	1,485,166	1,484,417	1.90	Aaa
United States Treasury Note/Bond 1.125% 15/01/2025	1,600,000	1,582,014	1,584,112	2.03	Aaa

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Enhanced Income Class (continued)

As at 30 September 2024 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 99.52% (30 September 2023: 100.04%) (continued)</b>					
<b>Government Bonds 48.34% (30 September 2023: 46.78%) (continued)</b>					
<b>United States (continued)</b>					
United States Treasury Note/Bond 3.125% 15/08/2025	2,000,000	1,968,813	1,984,088 35,191,823 <b>37,694,948</b>	2.54 45.13 <b>48.34</b>	<b>Aaa</b>
<b>Total Government Bonds</b>			<b>77,455,379</b>	<b>77,615,170</b>	<b>99.52</b>
<b>Total Investments</b>					
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>				<b>77,615,170</b>	<b>99.52</b>
 Total Investments			77,615,170	99.52	
Net current assets			<u>372,046</u>	<u>0.48</u>	
<b>Total net assets</b>			<b><u>77,987,216</u></b>	<b><u>100.00</u></b>	

# Melville Douglas Income Fund Limited

## Fund Statistics (Unaudited)

US Dollar Bond Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* price
<b>Class A Shares</b>						
30 September 2013	53,445,275	162.17	0.04	329,555	162.46	161.25
30 September 2014	45,496,949	162.32	0.09	280,287	163.05	161.83
30 September 2015	42,502,879	163.53	0.75	259,915	163.83	162.30
30 September 2016	60,525,172	165.53	1.22	365,634	165.79	162.95
30 September 2017	56,088,297	165.20	(0.20)	339,521	166.54	163.13
30 September 2018	48,438,116	162.82	(1.44)	297,488	165.41	161.64
30 September 2019	44,264,784	172.14	5.72	257,144	173.30	162.23
30 September 2020	39,693,089	180.10	4.62	220,400	180.79	171.27
30 September 2021	33,354,382	177.62	(1.38)	187,786	180.22	176.74
30 September 2022	27,039,974	159.57	(10.16)	169,459	177.88	158.46
30 September 2023	27,536,570	158.96	(0.38)	173,230	166.04	157.38
30 September 2024	22,306,531	172.92	8.78	128,998	173.75	156.26
<b>US Dollar Bond Class</b>						
<b>Class B Shares</b>						
At launch (1 March 2018)	16,698	10.00	-	1,667	-	-
30 September 2018	33,287	10.00	-	3,329	10.05	9.94
30 September 2019	100,177	10.54	5.40	9,505	10.61	9.96
30 September 2020	1,515,654	11.00	4.36	137,826	11.04	10.48
30 September 2021	2,963,379	10.83	(1.55)	273,505	11.00	10.79
30 September 2022	2,147,078	9.72	(10.25)	220,805	10.85	9.66
30 September 2023	1,147,068	9.68	(0.41)	118,533	10.11	9.59
30 September 2024	1,094,363	10.52	8.68	104,060	10.57	9.51
<b>US Dollar Bond Class</b>						
<b>Class C Shares</b>						
At launch (2 June 2020)	2,809	10.00	-	281	-	-
30 September 2020	149,428	10.03	0.40	14,905	10.06	9.96
30 September 2021	3,182	9.91	(1.20)	321	10.04	9.85
30 September 2022	10,337	8.92	(9.99)	1,159	9.92	8.86
30 September 2023	10,042	8.91	(0.11)	1,128	9.29	8.80
30 September 2024	122,245	9.70	8.87	12,598	9.75	8.76
<b>US Dollar Bond Class</b>						
<b>Class P Shares***</b>						
At launch (25 January 2024)	130,282	9.99	-	13,038	-	-
30 September 2024	136,575	10.47	4.80	13,038	10.52	9.81

# Melville Douglas Income Fund Limited

## Fund Statistics (Unaudited) (continued)

US Dollar Bond Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* price
<b>Class X Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (17 October 2017)	19,991	10.00	-	2,000	-	-
30 September 2018	2,423,942	9.93	(0.67)	244,024	10.01	9.83
30 September 2019	24,087,477	10.59	6.65	2,275,322	10.65	9.90
30 September 2020	31,255,274	11.16	5.38	2,799,487	11.19	10.54
30 September 2021	38,993,271	11.10	(0.54)	3,513,060	11.19	11.00
30 September 2022	58,790,285	10.05	(9.46)	5,848,883	11.12	9.98
30 September 2023	123,180,119	10.09	0.42	12,203,898	10.51	9.92
30 September 2024	155,678,975	11.07	9.71	14,064,998	11.12	9.93
<b>Sterling Bond Class</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in year</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</b>
<b>Class A Shares</b>	<b>GBP</b>	<b>GBP</b>			<b>GBP</b>	<b>GBP</b>
30 September 2013	5,590,371	115.88	(1.39)	48,241	117.60	115.86
30 September 2014	4,379,848	115.56	(0.28)	37,901	116.09	114.48
30 September 2015	3,380,232	116.09	0.46	29,118	117.86	115.78
30 September 2016	4,423,035	120.59	3.88	36,678	120.87	115.83
30 September 2017	3,981,347	119.01	(1.31)	33,453	121.01	118.94
30 September 2018	3,961,270	117.91	(0.92)	33,597	119.55	116.70
30 September 2019	4,357,568	121.53	3.07	35,855	121.98	117.35
30 September 2020	5,411,332	122.13	0.49	44,308	122.79	119.42
30 September 2021	3,853,915	119.28	(2.33)	32,309	122.65	119.28
30 September 2022	3,175,825	103.40	(13.42)	30,713	119.91	102.66
30 September 2023	2,715,230	106.01	2.52	25,614	110.10	102.47
30 September 2024	2,515,574	111.90	5.56	22,480	113.23	104.90
<b>Sterling Bond Class</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in year</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</b>
<b>Class B Shares</b>	<b>GBP</b>	<b>GBP</b>			<b>GBP</b>	<b>GBP</b>
At launch (12 May 2020)	42,955	10.0	-	4,292	-	-
30 September 2020	109,404	10.00	-	10,935	10.06	9.97
30 September 2021	303,356	9.76	(2.40)	31,076	10.04	9.76
30 September 2022	225,957	8.45	(13.39)	26,729	9.81	8.39
30 September 2023	231,414	8.66	2.42	26,729	9.00	8.37
30 September 2024	118,253	9.13	5.43	12,952	9.24	8.57
<b>Sterling Bond Class</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in year</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</b>
<b>Class C Shares**</b>	<b>GBP</b>	<b>GBP</b>			<b>GBP</b>	<b>GBP</b>
At launch (14 September 2020)	81,887	10.00	-	8,194	-	-
30 September 2020	81,682	9.97	(0.20)	8,194	10.00	9.97
At redemption (2 September 2021)	80,669	9.84	(1.30)	8,194	10.01	9.76

# Melville Douglas Income Fund Limited

## Fund Statistics (Unaudited) (continued)

Sterling Bond Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* price
<b>Class P Shares***</b>						
At launch (25 January 2024)	102,582	10.00	-	10,250	-	-
30 September 2024	105,110	10.25	2.5	10,250	10.37	9.93

Sterling Bond Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* price
<b>Class X Shares</b>						
At launch (28 August 2018)	654,322	10.00	-	65,460	-	-
30 September 2018	776,389	9.95	(0.50)	78,041	10.00	9.92
30 September 2019	4,749,764	10.34	3.92	459,480	10.37	9.90
30 September 2020	8,680,598	10.47	1.26	828,962	10.51	10.18
30 September 2021	13,128,608	10.31	(1.53)	1,273,439	10.53	10.29
30 September 2022	18,224,600	9.01	(12.62)	2,022,960	10.38	8.94
30 September 2023	24,617,939	9.31	3.34	2,644,357	9.62	8.93
30 September 2024	29,650,973	9.91	6.44	2,993,041	10.02	9.22

US Dollar Enhanced Income Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* price
<b>Class B Shares</b>						
At launch (4 August 2023)	138,493	10.00	-	13,849	-	-
30 September 2023	139,232	10.05	0.50	13,849	10.05	10.01
30 September 2024	279,963	10.56	5.07	26,523	10.56	10.04

US Dollar Enhanced Income Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* price
<b>Class C Shares</b>						
At launch (4 August 2023)	138,493	10.00	-	13,849	-	-
30 September 2023	139,275	10.06	0.60	13,849	10.06	10.01
30 September 2024	197,579	10.58	5.17	18,675	10.58	10.05

US Dollar Enhanced Income Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* price
<b>Class P Shares***</b>						
At launch (25 January 2024)	130,378	10.00	-	13,038	-	-
30 September 2024	134,682	10.33	3.30	13,038	10.33	10.00

# Melville Douglas Income Fund Limited

## Fund Statistics (Unaudited) (continued)

US Dollar Enhanced Income Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* price
Class X Shares	USD	USD			USD	USD
At launch (14 March 2019)	30,286,472	10.00	-	3,028,647	-	-
30 September 2019	35,482,312	10.13	1.30	3,503,203	10.13	9.99
30 September 2020	52,881,286	10.26	1.28	5,152,593	10.27	10.13
30 September 2021	61,319,127	10.30	0.39	5,956,135	10.30	10.26
30 September 2022	56,904,153	10.11	(1.84)	5,626,238	10.29	10.10
30 September 2023	54,774,967	10.51	3.88	5,213,289	10.51	10.11
30 September 2024	77,374,992	11.12	5.80	6,957,883	11.12	10.50

\*Prior to 30 September 2016 the highest price/lowest price was based on the reported net asset value for shareholder dealing which may be different from the financial statements.

\*\*Share class was fully redeemed on 2 September 2021.

\*\*\* Effective 25 January 2024, US Dollar Bond Class Fund, Sterling Bond Class Fund and US Dollar Enhanced Income Class Fund launched US Dollar Bond Class P shares, Sterling Bond Class P and Enhanced Income USD Class P shares.

The performance data in this table covers the year from incorporation by way of a continuance in Jersey, to date. Performance data for previous periods can be found in the fact sheets issued by the Investment Manager.

# Melville Douglas Income Fund Limited

## Other Information (Unaudited)

### Total Expense Ratios (Unaudited)

The Total Expense Ratio ("TER") is calculated and disclosed as per the guidelines issued by the Investment Management Association. The ratio expresses the sum of all costs charged on an ongoing basis to the Class Funds taken retrospectively as a percentage of the Class Fund's average net assets. For clarity, when the Class Fund is investing in other funds, the ongoing cost of these funds is not incorporated in the calculation of the TER.

	30 September 2024	30 September 2023
US Dollar Bond Class - Class A Shares	1.02%	1.03 %
US Dollar Bond Class - Class B Shares	1.12%	1.13 %
US Dollar Bond Class - Class C Shares	0.81%	0.83 %
US Dollar Bond Class - Class P Shares*	0.62%	N/A
US Dollar Bond Class - Class X Shares	0.22%	0.23 %
Sterling Bond Class - Class A Shares	1.04%	1.04 %
Sterling Bond Class - Class B Shares	1.14%	1.14 %
Sterling Bond Class - Class P Shares*	0.64%	N/A
Sterling Bond Class - Class X Shares	0.24%	0.24 %
US Dollar Enhanced Income Class - Class B Shares**	1.03%	1.04 %
US Dollar Enhanced Income Class - Class C Shares**	0.83%	0.84 %
US Dollar Enhanced Income Class - Class P Shares*	0.63%	N/A
US Dollar Enhanced Income Class - Class X Shares	0.23%	0.24 %

\*Effective 25 January 2024, US Dollar Bond Class Fund, Sterling Bond Class Fund and US Dollar Enhanced Income Class Fund launched US Dollar Bond Class P shares, Sterling Bond Class P and Enhanced Income USD Class P shares.

\*\*Effective 4 August 2023, US Dollar Enhanced Income Class Fund launched Enhanced Income USD Class B and Enhanced Income USD Class C shares.

### Investment Purchases, Investment Sales and Commissions (Unaudited)

US Dollar Bond Class	30 September	30 September
	2024	2023
	USD	USD
Gross purchases in year including transaction costs	96,682,540	101,211,658
Commissions	(750)	(300)
Net purchases total	<u>96,681,790</u>	<u>101,211,358</u>
Gross sales in year including transaction costs	78,949,132	32,705,891
Commissions	(150)	–
Net sales total	<u>78,948,982</u>	<u>32,705,891</u>
	2024	2023
	GBP	GBP
Gross purchases in year including transaction costs	9,296,024	17,504,688
Commissions	(394)	(244)
Net purchases total	<u>9,295,630</u>	<u>17,504,444</u>
Gross sales in year including transaction costs	5,483,452	11,133,319
Commissions	(428)	–
Net sales total	<u>5,483,024</u>	<u>11,133,319</u>

# Melville Douglas Income Fund Limited

## Other Information (Unaudited) (continued)

### Investment Purchases, Investment Sales and Commissions (Unaudited) (continued)

US Dollar Enhanced Income Class	30 September 2024	30 September 2023
	USD	USD
Gross purchases in year including transaction costs	94,146,874	47,419,434
Commissions	(2,150)	(200)
Net purchases total	<u>94,144,724</u>	<u>47,419,234</u>
Gross sales in year including transaction costs	74,387,897	47,759,515
Commissions	(500)	(200)
Net sales total	<u>74,387,397</u>	<u>47,759,315</u>

# Melville Douglas Income Fund Limited

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN pursuant to the Articles of Association of Melville Douglas Income Fund Limited (the "Company") that the Annual General Meeting of the Company will take place on 11 February 2025 at Standard Bank House, 47-49 La Motte Street, St. Helier, Jersey, Channel Islands at 2.15 p.m for the purpose of considering and, if thought fit, passing the following Resolutions:

Ordinary resolution

1. To receive and adopt the audited financial statements for the year ended 30 September 2024 together with the reports of the Directors and Independent Auditor thereon.
2. To re-elect Mr Michael Laws, Mr Michael Farrow, Mr Oliver Sonnbichler and Mr David Jardine as Directors of the Company.
3. To fix the remuneration of the Directors at up to £29,000 (Chair) and up to \$10,000 (other Directors) per year for the forthcoming year.
4. To re-appoint PricewaterhouseCoopers, Ireland as auditors of the Company and authorise the directors to agree the auditors' remuneration.

**By order of the board**  
**STANLIB Fund Managers Jersey Limited**  
**Secretary**  
**22 January 2025**

### Notes

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid this proxy form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for the meeting.
3. If the shareholder is a corporation the form must be executed either under its common seal or under the hand of an officer or attorney so authorised.
4. In the case of joint holders, the signature of any one joint holder will be sufficient, but the names of all joint holders should be stated.

**The Secretary  
Melville Douglas Income Fund Limited  
Standard Bank House  
47-49 La Motte Street  
St. Helier  
Jersey  
JE2 4SZ**

**Melville Douglas Income Fund Limited (the "Company")**

**Form of Proxy**

Please complete in I/We .....  
block capitals

Complete only if  
Special proxy  
desired. (See Note  
a. below)

being a holder(s) of.....Participating shares in the capital of the Company  
hereby appoint the Chairman of the Meeting or failing him:

Resolutions  
~~\*Strike out whatever  
is not desired~~

Ordinary Resolution

No 1 For/Against\*  
No 2 For/Against\*  
No 3 For/Against\*  
No 4 For/Against\*

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Signature \_\_\_\_\_

- a. If you desire to appoint a proxy other than indicated above, please delete the appropriate words and insert the name and address of your proxy
- b. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit in relation to the resolutions referred to above
- c. To be valid, the proxy must be lodged with the secretary of the Company 48 hours prior to the time of the meeting
- d. A corporation should complete this form under its common seal or under the hand of a duly authorised officer or attorney