



**Melville Douglas Income Fund Limited**  
**Unaudited Interim Report and Financial Statements**  
**For the period 1 October 2022 to 31 March 2023**

# Melville Douglas Income Fund Limited

## Unaudited Interim Report and Financial Statements

For the period 1 October 2022 to 31 March 2023

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# Melville Douglas Income Fund Limited

## Administration

### Directors

Graham Baillie (South African/British)  
Michael Farrow\* (British) (Chairman) (Jersey Resident)  
Oliver Sonnbichler (South African/Austrian)  
Robert Stewart (South African) (Jersey Resident)

### 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  
12 Castle Street  
St. Helier  
Jersey JE2 3RT  
Channel Islands

\*Independent Non-Executive Director.



# Melville Douglas Income Fund Limited

## Report of the Directors

The directors submit their unaudited interim report and financial statements for the period 1 October 2022 to 31 March 2023.

### 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 31 March 2023 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 period are disclosed in the Statements of Comprehensive Income.

### Directors

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

Graham Baillie is non-executive Chairman of Melville Douglas Investment Management (Proprietary) Limited. Oliver Sonnichler is an executive of Melville Douglas Investment Management (Proprietary) Limited, Robert Stewart is an employee of Standard Bank Jersey Limited and 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") 104 "The Interim Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 104").

The Companies (Jersey) Law 1991 requires the directors to prepare the financial statements for each financial period, 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 period. 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.

### Connected Persons

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

### Secretary

The Secretary of the Company during the period ended 31 March 2023 and subsequently was STANLIB Fund Managers Jersey Limited.

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

**Company Secretary**  
**9 August 2023**

# Melville Douglas Income Fund Limited

## Statements of Financial Position

As at 31 March 2023

(Comparatives as at 30 September 2022)

		US Dollar Bond Class 31 March 2023 USD	US Dollar Bond Class 30 September 2022 USD	Sterling Bond Class 31 March 2023 GBP	Sterling Bond Class 30 September 2022 GBP
	Notes				
<b>Assets</b>					
Financial assets at fair value through profit or loss	2(b), 7.4	127,601,913	84,048,611	28,669,100	20,274,253
Cash and cash equivalents	2(c)	2,631,902	3,477,529	584,235	1,175,643
Receivable for shares sold	2(f)	268,160	211,500	30,000	90,000
Income receivable	2(d)	653,082	382,702	99,869	96,173
<b>Total assets</b>		<b>131,155,057</b>	<b>88,120,342</b>	<b>29,383,204</b>	<b>21,636,069</b>
<b>Liabilities</b>					
Payable for shares redeemed	2(f)	198,438	84,053	—	—
Management fees payable	2(g)	35,059	30,691	6,502	5,083
Custodian fees payable	2(g)	2,783	2,247	894	638
Sub-Custodian fees payable	2(g)	806	910	310	369
Director fees payable	2(g)	5,017	4,575	1,333	1,095
Audit fees payable	2(g)	3,185	6,916	819	1,676
Other payables		5,043	3,276	1,230	826
<b>Total liabilities</b>		<b>250,331</b>	<b>132,668</b>	<b>11,088</b>	<b>9,687</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>130,904,726</b>	<b>87,987,674</b>	<b>29,372,116</b>	<b>21,626,382</b>
<b>Net asset value per share</b>					
Class A Shares		164.42	159.57	108.01	103.40
Class B Shares		10.01	9.72	8.83	8.45
Class C Shares**		9.20	8.92	—	—
Class X Shares		10.40	10.05	9.45	9.01

The notes on pages 11 to 26 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Financial Position (continued)

As at 31 March 2023

(Comparatives as at 30 September 2022)

	Notes	US Dollar Enhanced Income Class 31 March 2023 USD	US Dollar Enhanced Income Class 30 September 2022 USD	Total 31 March 2023 USD	Total 30 September 2022 USD
<b>Assets</b>					
Financial assets at fair value through profit or loss	2(b), 7.4	49,777,893	54,402,598	212,827,715	161,083,358
Cash and cash equivalents	2(c)	951,512	2,267,580	4,305,791	7,057,479
Receivable for shares sold	2(f)	106,198	31,952	411,452	343,919
Income receivable	2(d)	220,895	222,130	997,460	712,190
<b>Total assets</b>		<b>51,056,498</b>	<b>56,924,260</b>	<b>218,542,418</b>	<b>169,196,946</b>
<b>Liabilities</b>					
Payable for shares redeemed	2(f)	188,678	—	387,116	84,053
Management fees payable	2(g)	6,531	7,018	49,630	43,383
Custodian fees payable	2(g)	1,513	1,581	5,401	4,540
Sub-Custodian fees payable	2(g)	651	381	1,840	1,703
Director fees payable	2(g)	2,595	3,454	9,260	9,252
Audit fees payable	2(g)	1,852	5,513	6,050	14,300
Other payables		2,262	2,160	8,826	6,358
<b>Total liabilities</b>		<b>204,082</b>	<b>20,107</b>	<b>468,123</b>	<b>163,589</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>50,852,416</b>	<b>56,904,153</b>	<b>218,074,295</b>	<b>169,033,357</b>
<b>Net asset value per share</b>					
Class X Shares		10.33	10.11	—	—

The financial statements were approved by the Board on 9 August 2023.

The notes on pages 11 to 26 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Comprehensive Income

For the period 1 October 2022 to 31 March 2023

(Comparatives are for the period 1 October 2021 to 31 March 2022)

		US Dollar Bond Class 31 March 2023 USD	US Dollar Bond Class 31 March 2022 USD	Sterling Bond Class 31 March 2023 GBP	Sterling Bond Class 31 March 2022 GBP
	Notes				
<b>Income</b>					
Dividend income	2(d)	383,682	141,679	93,485	36,624
Interest income	2(d)	1,022,584	521,929	183,441	54,005
Deposit interest	2(d)	27,913	35	3,174	1
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 3	2,467,149	(3,754,489)	823,515	(603,009)
<b>Total net gain/(loss)</b>		<b>3,901,328</b>	<b>(3,090,846)</b>	<b>1,103,615</b>	<b>(512,379)</b>
<b>Expenses</b>					
Management fees	2(g)	193,202	196,452	35,470	29,250
Custodian fees	2(g)	15,104	11,796	4,985	3,164
Sub-Custodian fees	2(g)	5,215	4,031	1,962	1,409
Administration fees	2(g)	—	—	—	—
Performance fees	2(g)	—	—	—	—
Directors' fees	2(g)	9,740	8,732	2,498	2,064
Audit fees	2(g)	3,185	3,442	819	814
Sundry expenses		8,601	5,511	2,163	1,351
<b>Total operating expenses</b>		<b>235,047</b>	<b>229,964</b>	<b>47,897</b>	<b>38,052</b>
<b>Net income/(expense) before finance costs</b>		<b>3,666,281</b>	<b>(3,320,810)</b>	<b>1,055,718</b>	<b>(550,431)</b>
<b>Finance Costs:</b>					
Bank interest	2(d)	—	—	(33)	(524)
<b>Total Finance Costs</b>		<b>—</b>	<b>—</b>	<b>(33)</b>	<b>(524)</b>
Taxation	2(i), 4	(24,068)	(21,659)	6,003	11
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations</b>		<b>3,642,213</b>	<b>(3,342,469)</b>	<b>1,061,688</b>	<b>(550,944)</b>

All of the above results are from continuing operations. There are no recognised gains or losses for the period 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 11 to 26 form an integral part of these financial statements.



# Melville Douglas Income Fund Limited

## Statements of Comprehensive Income (continued)

For the period 1 October 2022 to 31 March 2023

(Comparatives are for the period 1 October 2020 to 31 March 2022)

		US Dollar Enhanced Income Class 31 March 2023 USD	US Dollar Enhanced Income Class 31 March 2022 USD	Total 31 March 2023 USD	Total 31 March 2022 USD
	Notes				
<b>Income</b>					
Dividend income	2(d)	56,092	40,291	551,269	231,216
Interest income	2(d)	674,123	139,449	1,915,488	733,994
Deposit interest	2(d)	7,215	29	38,914	65
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 3	494,566	(808,105)	3,943,882	(5,373,415)
<b>Total net gain/(loss)</b>		<b>1,231,996</b>	<b>(628,336)</b>	<b>6,449,553</b>	<b>(4,408,140)</b>
<b>Expenses</b>					
Management fees	2(g)	40,870	44,878	276,376	280,660
Custodian fees	2(g)	9,306	9,974	30,355	26,024
Sub-Custodian fees	2(g)	3,600	4,071	11,155	9,997
Directors' fees	2(g)	5,634	7,083	18,353	18,590
Audit fees	2(g)	1,851	2,793	6,013	7,330
Sundry expenses		4,354	4,460	15,535	11,788
<b>Total operating expenses</b>		<b>65,615</b>	<b>73,259</b>	<b>357,787</b>	<b>354,389</b>
<b>Net income/(expense) before finance costs</b>		<b>1,166,381</b>	<b>(701,595)</b>	<b>6,091,766</b>	<b>(4,762,529)</b>
<b>Finance Costs:</b>					
Bank interest	2(d)	—	(4)	(39)	(708)
<b>Total Finance Costs</b>		<b>—</b>	<b>(4)</b>	<b>(39)</b>	<b>(708)</b>
Taxation	2(i), 4	(9,815)	(7,289)	(26,723)	(28,933)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations</b>		<b>1,156,566</b>	<b>(708,888)</b>	<b>6,065,004</b>	<b>(4,792,170)</b>

All of the above results are from continuing operations. There are no recognised gains or losses for the period 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 11 to 26 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 period 1 October 2022 to 31 March 2023

(Comparatives are for the period 1 October 2021 to 31 March 2022)

		US Dollar Bond Class 31 March 2023 USD	US Dollar Bond Class 31 March 2022 USD	Sterling Bond Class 31 March 2023 GBP	Sterling Bond Class 31 March 2022 GBP
	Notes				
Net assets attributable to holders of redeemable shares at the beginning of the period		87,987,674	75,314,214	21,626,382	17,285,879
Proceeds from the issue of shares	5	46,788,282	4,322,417	7,365,100	2,378,700
Payments on the redemption of shares	5	(7,513,443)	(4,708,582)	(681,054)	(559,328)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities</b>		<b><u>3,642,213</u></b>	<b><u>(3,342,469)</u></b>	<b><u>1,061,688</u></b>	<b><u>(550,944)</u></b>
<b>Net assets attributable to holders of redeemable shares at the end of the period</b>		<b><u>130,904,726</u></b>	<b><u>71,585,580</u></b>	<b><u>29,372,116</u></b>	<b><u>18,554,307</u></b>

The notes on pages 11 to 26 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 period 1 October 2022 to 31 March 2023

(Comparatives are for the period 1 October 2021 to 31 March 2022)

		US Dollar Enhanced Income Class 31 March 2023 USD	US Dollar Enhanced Income Class 31 March 2022 USD	Total 31 March 2023 USD	Total 31 March 2022 USD
	Notes				
Net assets attributable to holders of redeemable shares at the beginning of the period		56,904,153	61,319,127	169,033,357	159,940,756
Proceeds from the issue of shares	5	2,047,029	2,811,776	57,619,319	10,332,654
Payments on the redemption of shares	5	(9,255,332)	(4,712,903)	(17,581,036)	(10,173,572)
Translation Adjustment*		—	—	2,937,651	(583,448)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities</b>		<b><u>1,156,566</u></b>	<b><u>(708,888)</u></b>	<b><u>6,065,004</u></b>	<b><u>(4,792,170)</u></b>
<b>Net assets attributable to holders of redeemable shares at the end of the period</b>		<b><u>50,852,416</u></b>	<b><u>58,709,112</u></b>	<b><u>218,074,295</u></b>	<b><u>154,724,220</u></b>

\*The translation adjustment arises from the translation of opening net assets translated at financial period end 31 March 2022 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 31 March 2023.

The notes on pages 11 to 26 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 periods 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 104 "The Interim Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 104"). 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 unaudited interim financial statements for the period ended 31 March 2023 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 6 and 7. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on page 6 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 Statements 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 Statements of Comprehensive Income in the period 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 period 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 period 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, performance 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 period. 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 31 March 2023 USD	US Dollar Bond Class 31 March 2022 USD	Sterling Bond Class 31 March 2023 GBP	Sterling Bond Class 31 March 2022 GBP	US Dollar Enhanced Income Class 31 March 2023 USD	US Dollar Enhanced Income Class 31 March 2022 USD	Total 31 March 2023 USD	Total 31 March 2022 USD
Non-derivative securities:								
Net realised (loss)/gain on investments	(6,941)	23,351	(28,466)	(13,622)	(35,588)	8,540	(76,479)	13,575
Net movement in unrealised investment schemes	2,474,090	(3,777,840)	852,635	(589,297)	530,154	(816,645)	4,021,141	(5,386,869)
	<u>2,467,149</u>	<u>(3,754,489)</u>	<u>824,169</u>	<u>(602,919)</u>	<u>494,566</u>	<u>(808,105)</u>	<u>3,944,662</u>	<u>(5,373,294)</u>
Derivative securities:								
Net movement in unrealised foreign currency	—	—	(654)	(90)	—	—	(780)	(121)
	<u>—</u>	<u>—</u>	<u>(654)</u>	<u>(90)</u>	<u>—</u>	<u>—</u>	<u>(780)</u>	<u>(121)</u>
<b>Net gain/(loss) on financial assets at fair value through profit or loss</b>	<b><u>2,467,149</u></b>	<b><u>(3,754,489)</u></b>	<b><u>823,515</u></b>	<b><u>(603,009)</u></b>	<b><u>494,566</u></b>	<b><u>(808,105)</u></b>	<b><u>3,943,882</u></b>	<b><u>(5,373,415)</u></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 Statements of Comprehensive Income.

<b>US Dollar Bond Class*</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>USD</b>	<b>USD</b>
Overseas tax - withholding tax on dividend income	24,068	21,659
<b>Sterling Bond Class*</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>GBP</b>	<b>GBP</b>
Overseas tax - withholding tax on dividend income	(6,003)	(11)
<b>US Dollar Enhanced Income Class</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>USD</b>	<b>USD</b>
Overseas tax - withholding tax on dividend income	9,815	7,289
<b>Total MD Income Funds</b>	<b>USD</b>	<b>USD</b>
Overseas tax - withholding tax on dividend income	26,723	28,948

### 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.

#### *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:

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 5. Share capital (continued)

	31 March 2023 USD	30 September 2022 USD
Current account	100	100
Management shares of USD1.00 each		
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 period ended 31 March 2023.

	Number of shares at 30 September 2022	Issued during the period	Redeemed during the period	Number of shares at 31 March 2023
US Dollar Bond Class - Class A Shares	169,459	12,428	(27,145)	154,742
US Dollar Bond Class - Class B Shares	220,805	11,612	(26,113)	206,304
US Dollar Bond Class - Class C Shares	1,159	–	(31)	1,128
US Dollar Bond Class - Class X Shares	5,848,883	4,373,656	(280,324)	9,942,215
Sterling Bond Class - Class A Shares	30,713	4,812	–	35,525
Sterling Bond Class - Class B Shares	26,729	–	–	26,729
Sterling Bond Class - Class X Shares	2,022,960	727,589	(72,824)	2,677,725
US Dollar Enhanced Income Class - Class X Shares	5,626,238	199,925	(905,239)	4,920,924

The following table shows the movement in participating shares during the year ended 30 September 2022.

	Number of shares at 30 September 2021	Issued during the year	Redeemed during the year	Number of shares at 30 September 2022
US Dollar Bond Class - Class A Shares	187,786	7,390	(25,717)	169,459
US Dollar Bond Class - Class B Shares	273,505	40,707	(93,407)	220,805
US Dollar Bond Class - Class C Shares	321	7,949	(7,111)	1,159
US Dollar Bond Class - Class X Shares	3,513,060	2,537,296	(201,473)	5,848,883
Sterling Bond Class - Class A Shares	32,309	1,245	(2,841)	30,713
Sterling Bond Class - Class B Shares	31,076	1,326	(5,673)	26,729
Sterling Bond Class - Class X Shares	1,273,439	790,082	(40,561)	2,022,960
US Dollar Enhanced Income Class - Class X Shares	5,956,135	571,844	(901,741)	5,626,238

### 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.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

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

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 Bond Income 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 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 0.15% of the net asset value of the 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%

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 GBP23,000 per annum from the Company as director fees. Graham Baillie, Oliver Sonnbichler 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 period ended 31 March 2023 amounted to USD9,740 (31 March 2022: USD8,732) with USD5,017 (30 September 2022: USD4,575) outstanding at the period end.

For the Sterling Bond Class directors fees incurred during the period ended 31 March 2023 amounted to GBP2,498 (31 March 2022: GBP2,064) with GBP1,333 (30 September 2022: GBP1,095) outstanding at the period end.

For the US Dollar Enhanced Income Class directors fees incurred during the period ended 31 March 2023 amounted to USD5,634 (31 March 2022: USD7,083) with USD2,595 (31 March 2022: USD3,454) outstanding at the period end.

The fees incurred during the period ended 31 March 2023 and 31 March 2022 are as disclosed in the Statements of Comprehensive Income with the amounts outstanding at the period 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.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

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

		31 March 2023	30 September 2022
		USD	USD
US Dollar Bond Class	USD	6,380,096	4,202,431
Sterling Bond Class	GBP	1,433,455	1,013,713
US Dollar Enhanced Income Class	USD	2,488,895	2,720,130

##### 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 31 March 2023 and 31 March 2022 is detailed in Note 7.4 Fair Value Hierarchy.

# 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)

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:

<b>31 March 2023</b>		
<b>Programme</b>	<b>Fixed rate financial assets Weighted average interest rate</b>	<b>Fixed rate financial assets weighted average period for which rate is fixed</b>
US Dollar Bond Class	2.10%	4 years 11 months

<b>30 September 2022</b>		
<b>Programme</b>	<b>Fixed rate financial assets Weighted average interest rate</b>	<b>Fixed rate financial assets weighted average period for which rate is fixed</b>
US Dollar Bond Class	2.08%	5 years 1 month

<b>31 March 2023</b>		
<b>Programme</b>	<b>Fixed rate financial assets Weighted average interest rate</b>	<b>Fixed rate financial assets weighted average period for which rate is fixed</b>
Sterling Bond Class	1.25%	4 years 9 months

<b>30 September 2022</b>		
<b>Programme</b>	<b>Fixed rate financial assets Weighted average interest rate</b>	<b>Fixed rate financial assets weighted average period for which rate is fixed</b>
Sterling Bond Class	1.29%	5 years 4 months

<b>31 March 2023</b>		
<b>Programme</b>	<b>Fixed rate financial assets Weighted average interest rate</b>	<b>Fixed rate financial assets weighted average period for which rate is fixed</b>
US Dollar Enhanced Income Class	2.06%	9 months

<b>30 September 2022</b>		
<b>Programme</b>	<b>Fixed rate financial assets Weighted average interest rate</b>	<b>Fixed rate financial assets weighted average period for which rate is fixed</b>
US Dollar Enhanced Income Class	1.73%	10 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)

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

#### US Dollar Bond Class 31 March 2023

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	101,606,918	977,055	28,320,753	130,904,726
	<u>101,606,918</u>	<u>977,055</u>	<u>28,320,753</u>	<u>130,904,726</u>

#### US Dollar Bond Class 30 September 2022

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	67,383,768	1,931,093	18,672,813	87,987,674
	<u>67,383,768</u>	<u>1,931,093</u>	<u>18,672,813</u>	<u>87,987,674</u>

#### Sterling Bond Class 31 March 2023

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
GBP	22,749,426	158,042	6,464,648	29,372,116
	<u>22,749,426</u>	<u>158,042</u>	<u>6,464,648</u>	<u>29,372,116</u>

#### Sterling Bond Class 30 September 2022

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
GBP	15,894,400	170,596	5,561,386	21,626,382
	<u>15,894,400</u>	<u>170,596</u>	<u>5,561,386</u>	<u>21,626,382</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 31 March 2023

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	45,714,001	879,350	4,259,065	50,852,416
	<u>45,714,001</u>	<u>879,350</u>	<u>4,259,065</u>	<u>50,852,416</u>

##### US Dollar Enhanced Income Class 30 September 2022

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	49,442,425	1,869,287	5,592,441	56,904,153
	<u>49,442,425</u>	<u>1,869,287</u>	<u>5,592,441</u>	<u>56,904,153</u>

##### Total MD Income Funds 31 March 2023

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	175,449,447	2,051,816	40,573,032	218,074,295
	<u>175,449,447</u>	<u>2,051,816</u>	<u>40,573,032</u>	<u>218,074,295</u>

##### Total MD Income Funds 30 September 2022

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	116,826,193	3,800,380	24,265,254	144,891,826
	<u>116,826,193</u>	<u>3,800,380</u>	<u>24,265,254</u>	<u>144,891,826</u>

#### 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.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Currency risk (continued)

The tables below show the currency exposure of each Class Fund as at 31 March 2023 and 30 September 2022.

##### US Dollar Bond Class

Exposure	currency	Investments	Cash	Other net	Total net	% of net
31 March 2023		USD	USD	assets	assets	assets
				USD	USD	
USD		127,601,913	2,631,902	670,911	130,904,726	100.00
		<u>127,601,913</u>	<u>2,631,902</u>	<u>670,911</u>	<u>130,904,726</u>	<u>100.00</u>

##### US Dollar Bond Class

Exposure	currency	Investments	Cash	Other net	Total net	% of net
30 September 2022		USD	USD	assets	assets	assets
				USD	USD	
USD		84,048,611	3,477,529	461,534	87,987,674	100.00
		<u>84,048,611</u>	<u>3,477,529</u>	<u>461,534</u>	<u>87,987,674</u>	<u>100.00</u>

##### Sterling Bond Class

Exposure	currency	Investments	Cash	Other net	Total net	% of net
31 March 2023		GBP	GBP	assets	assets	assets
				GBP	GBP	
EUR		578,547	7,686	3,568	589,801	2.01
GBP		25,717,491	508,045	110,094	26,335,630	89.66
USD		2,373,062	68,504	5,119	2,446,685	8.33
		<u>28,669,100</u>	<u>584,235</u>	<u>118,781</u>	<u>29,372,116</u>	<u>100.00</u>

##### Sterling Bond Class

Exposure	currency	Investments	Cash	Other net	Total net	% of net
30 September 2022		GBP	GBP	assets	assets	assets
				GBP	GBP	
EUR		278,926	287,342	–	566,268	2.62
GBP		18,520,247	850,712	170,287	19,541,246	90.36
USD		1,475,080	37,589	6,199	1,518,868	7.02
		<u>20,274,253</u>	<u>1,175,643</u>	<u>176,486</u>	<u>21,626,382</u>	<u>100.00</u>

##### US Dollar Enhanced Income Class

Exposure	currency	Investments	Cash	Other net	Total net	% of net
31 March 2023		USD	USD	assets	assets	assets
				USD	USD	
USD		49,777,893	951,512	123,011	50,852,416	100.00
		<u>49,777,893</u>	<u>951,512</u>	<u>123,011</u>	<u>50,852,416</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)

##### US Dollar Enhanced Income Class

Exposure currency 30 September 2022	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
USD	54,402,598	2,267,580	233,975	56,904,153	100.00
	<u>54,402,598</u>	<u>2,267,580</u>	<u>233,975</u>	<u>56,904,153</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 period ended 31 March 2023 and year ended 30 September 2022.

Sterling Bond Class*		Change in net assets 31 March 2023	Change in net assets 30 September 2022
		GBP	GBP
EUR	+/-5%	29,490	28,313
USD	+/-5%	122,334	75,943

#### 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.

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.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.3. Credit risk (continued)

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.

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 depository 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 period ended 31 March 2023 the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2022 : AA-) with Standard & Poor's, Aa2 (2022 : Aa2) with Moody's and AA (2022 : AA) with Fitch.

#### 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 period 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.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

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

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.

The following tables analyse within the fair value hierarchy the Companies financial assets measured at fair value at 31 March 2023 and 30 September 2022 in accordance with FRS 102.

#### 31 March 2023

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>US Dollar Bond Class*</b>				
Investment Companies	25,017,940	–	–	25,017,940
Common Stock	–	–	–	–
Corporate Bonds	–	28,398,107	–	28,398,107
Government Bonds	74,185,866	–	–	74,185,866
<b>Total Assets</b>	<b>99,203,806</b>	<b>28,398,107</b>	<b>–</b>	<b>127,601,913</b>

#### 30 September 2022

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>US Dollar Bond Class*</b>				
Investment Companies	14,733,750	–	–	14,733,750
Corporate Bonds	–	28,931,465	–	28,931,465
Government Bonds	40,383,396	–	–	40,383,396
<b>Total Assets</b>	<b>55,117,146</b>	<b>28,931,465</b>	<b>–</b>	<b>84,048,611</b>

#### 31 March 2023

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Sterling Bond Class*</b>				
Investment Companies	5,761,632	–	–	5,761,632
Common Stock	–	–	–	–
Corporate Bonds	–	9,486,058	–	9,486,058
Government Bonds	13,421,410	–	–	13,421,410
<b>Total Assets</b>	<b>19,183,042</b>	<b>9,486,058</b>	<b>–</b>	<b>28,669,100</b>

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

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

##### 30 September 2022

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
<b>Sterling Bond Class*</b>				
Investment Companies	4,209,257	–	–	4,209,257
Corporate Bonds	–	8,139,665	–	8,139,665
Government Bonds	7,925,331	–	–	7,925,331
<b>Total Assets</b>	<b>12,134,588</b>	<b>8,139,665</b>	<b>–</b>	<b>20,274,253</b>

##### 31 March 2023

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>US Dollar Enhanced Income Class</b>				
Investment Companies	3,184,542	–	–	3,184,542
Common Stock	–	–	–	–
Corporate Bonds	–	26,623,458	–	26,623,458
Government Bonds	19,677,164	292,729	–	19,969,893
<b>Total Assets</b>	<b>22,861,706</b>	<b>26,916,187</b>	<b>–</b>	<b>49,777,893</b>

##### 30 September 2022

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>US Dollar Enhanced Income Class</b>				
Investment Companies	3,090,886	–	–	3,090,886
Corporate Bonds	–	29,394,680	–	29,394,680
Government Bonds	20,643,550	1,273,482	–	21,917,032
<b>Total Assets</b>	<b>23,734,436</b>	<b>30,668,162</b>	<b>–</b>	<b>54,402,598</b>

There were no movement between levels for the financial period ended 31 March 2023. There were no movement between levels for the financial period ended 30 September 2022.



# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 8. Exchange rates

The following exchange rates at 31 March 2023 and 30 September 2022 were used to translate foreign currency assets and liabilities.

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

	Period End Exchange Rates		Average Exchange Rates	
	31 March 2023	30 September 2022	31 March 2023	30 September 2022
USD/EUR	0.92046	1.02078	0.95557	0.92202
USD/GBP	0.80877	0.89582	0.83764	0.78082

#### Sterling Bond Class\*

	Period End Exchange Rates		Average Exchange Rates	
	31 March 2023	30 September 2022	31 March 2023	30 September 2022
GBP/EUR	1.13810	1.13950	1.14085	1.18019
GBP/USD	1.23645	1.11630	1.19265	1.27613

### 9. Significant events during the period

In February 2023 an updated prospectus of the Fund was issued.

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

### 10. Post statement of financial position events

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

### 11. Contingent Liabilities

There were no contingent liabilities as at 31 March 2023 or as at 30 September 2022.

### 12. Approval of financial statements

The financial statements were approved by the Directors on 9 August 2023.

# Melville Douglas Income Fund Limited

## Portfolio Statement

### US Dollar Bond Class

As at 31 March 2023

	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>Investment Companies</b>					
<b>Ireland</b>					
iShares USD Corp Bond UCITS ETF	95,100	9,968,819	9,795,300	7.48	NR
iShares USD Short Duration Corp Bond UCITS ETF	109,050	11,026,509	10,571,307	8.08	NR
			20,366,607	15.56	
<b>United States</b>					
iShares iBoxx High Yield Corporate Bond ETF	61,550	5,021,568	4,651,333	3.55	NR
			4,651,333	3.55	
<b>Total Investment Companies</b>			<b>25,017,940</b>	<b>19.11</b>	
<b>Corporate Bonds</b>					
<b>Cayman Islands</b>					
Alibaba Group Holding Ltd 2.800% 06/06/2023	1,000,000	1,003,368	992,505	0.76	A1
<b>Germany</b>					
Kreditanstalt fuer Wiederaufbau 'EMTN' 2.125% 07/08/2023	4,775,000	4,793,167	4,729,399	3.61	Aaa
<b>International</b>					
Asian Development Bank 'GMTN' 0.250% 06/10/2023	750,000	732,442	732,698	0.56	Aaa
European Investment Bank 2.500% 15/10/2024	6,450,000	6,517,474	6,284,567	4.80	Aaa
Inter-American Development Bank 'GMTN' 1.125% 13/01/2031	7,550,000	7,232,846	6,266,111	4.79	Aaa
International Bank for Reconstruction & Development 1.500% 28/08/2024	5,690,000	5,754,040	5,465,845	4.17	Aaa
			18,749,221	14.32	
<b>South Africa</b>					
Standard Bank Group Ltd FRN 5.950% 31/05/2029	1,000,000	1,034,891	977,055	0.75	B1
<b>United States</b>					
Reynolds American Inc 4.850% 15/09/2023	500,000	509,197	498,200	0.38	Baa2
Visa Inc 3.150% 14/12/2025	1,000,000	1,019,177	971,966	0.75	Aa3
Wells Fargo & Co 'MTN' 3.750% 24/01/2024	1,500,000	1,484,932	1,479,761	1.13	A1
			2,949,927	2.26	
<b>Total Corporate Bonds</b>			<b>28,398,107</b>	<b>21.70</b>	

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Bond Class (continued)

As at 31 March 2023 (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 (continued)</b>					
<b>Corporate Bonds (continued)</b>					
<b>United States (continued)</b>					
<b>Government Bonds</b>					
<b>United States</b>					
United States Treasury Note/Bond 2.250% 15/02/2027	9,960,000	9,912,264	9,438,564	7.21	Aaa
United States Treasury Note/Bond 2.875% 31/10/2023	15,010,000	14,893,512	14,856,616	11.35	Aaa
United States Treasury Note/Bond 2.625% 15/02/2029	5,350,000	5,502,464	5,073,676	3.87	Aaa
United States Treasury Note/Bond 1.750% 15/11/2029	23,300,000	21,792,893	20,929,104	15.99	Aaa
United States Treasury Note/Bond 0.250% 15/03/2024	1,200,000	1,199,204	1,151,542	0.88	Aaa
United States Treasury Note/Bond 1.875% 15/02/2032	25,900,000	23,084,494	22,736,364	17.37	Aaa
			74,185,866	56.67	
<b>Total Government Bonds</b>			<b>74,185,866</b>	<b>56.67</b>	
<b>Total Investments</b>	<b>132,483,261</b>		<b>127,601,913</b>	<b>97.48</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>127,601,913</b>	<b>97.48</b>	
Total Investments			127,601,913	97.48	
Net current assets			3,302,813	2.52	
<b>Total net assets</b>			<b>130,904,726</b>	<b>100.00</b>	

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### Sterling Bond Class

As at 31 March 2023

	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</b>					
<b>Investment Companies</b>					
<b>Ireland</b>					
iShares Core GBP Corp Bond UCITS ETF	13,600	1,677,427	1,650,836	5.62	NR
iShares EUR High Yield Corp Bond UCITS ETF	3,710	333,046	293,889	1.00	NR
iShares GBP Corp Bond 0-5yr UCITS ETF	30,525	3,192,602	2,962,299	10.09	NR
iShares USD High Yield Corp Bond UCITS ETF	203,200	938,735	854,608	2.91	NR
			5,761,632	19.62	
<b>Total Investment Companies</b>			<b>5,761,632</b>	<b>19.62</b>	
<b>Corporate Bonds</b>					
<b>Germany</b>					
Kreditanstalt fuer Wiederaufbau 'EMTN' 0.875% 15/09/2026	985,000	976,742	885,229	3.01	Aaa
Kreditanstalt fuer Wiederaufbau 'EMTN' 1.250% 29/12/2023	1,300,000	1,287,307	1,268,183	4.32	Aaa
			2,153,412	7.33	
<b>International</b>					
European Bank for Reconstruction & Development 'GMTN' 0.250% 10/07/2023	2,058,000	1,665,105	1,644,689	5.60	NR
European Investment Bank 'EMTN' 0.750% 15/11/2024	1,150,000	1,157,208	1,085,577	3.69	Aaa
Inter-American Development Bank 0.500% 15/09/2026	1,745,000	1,752,095	1,547,038	5.27	Aaa
International Bank for Reconstruction & Development 1.000% 21/12/2029	2,250,000	2,166,454	1,878,773	6.40	Aaa
			6,156,077	20.96	
<b>Luxembourg</b>					
Nestle Finance International Ltd 'EMTN' 2.250% 30/11/2023	200,000	201,089	196,795	0.67	Aa3
<b>Netherlands</b>					
Roche Finance Europe BV 'EMTN' 5.375% 29/08/2023	155,000	157,503	155,153	0.53	Aa2
<b>South Africa</b>					
Standard Bank Group Ltd FRN 5.950% 31/05/2029	200,000	160,442	158,042	0.54	B1
<b>United Kingdom</b>					
BAT International Finance Plc 'EMTN' 2.250% 26/06/2028	100,000	100,622	82,304	0.28	Baa2

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### Sterling Bond Class (continued)

As at 31 March 2023 (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 (continued)</b>					
<b>Corporate Bonds (continued)</b>					
<b>United Kingdom (continued)</b>					
GlaxoSmithKline Capital Plc 'EMTN' 3.375% 20/12/2027	200,000	214,190	192,803	0.66	<b>A2</b>
Unilever Plc 'EMTN' 1.875% 15/09/2029	350,000	306,746	300,692	1.02	<b>A1</b>
			575,799	1.96	
<b>United States</b>					
Nestle Holdings Inc 'EMTN' 0.625% 18/12/2025	100,000	99,982	90,780	0.31	<b>Aa3</b>
<b>Total Corporate Bonds</b>			<b>9,486,058</b>	<b>32.30</b>	
<b>Government Bonds</b>					
<b>Germany</b>					
Bundesrepublik Deutschland Bundesanleihe 2.000% 15/08/2023	325,000	280,165	284,658	0.97	<b>Aaa</b>
<b>International</b>					
European Investment Bank 3.875% 15/03/2028	700,000	572,200	570,331	1.94	<b>Aaa</b>
<b>United Kingdom</b>					
United Kingdom Gilt 1.500% 22/07/2026	3,532,200	3,469,391	3,315,994	11.29	<b>Aa3</b>
United Kingdom Gilt 1.625% 22/10/2028	3,840,000	3,761,715	3,502,848	11.92	<b>Aa3</b>
United Kingdom Gilt 0.875% 22/10/2029	2,705,000	2,701,236	2,308,555	7.86	<b>Aa3</b>
United Kingdom Gilt 1.000% 31/01/2032	4,225,000	3,803,227	3,439,024	11.71	<b>Aa3</b>
			12,566,421	42.78	
<b>Total Government Bonds</b>			<b>13,421,410</b>	<b>45.69</b>	
<b>Total Investments</b>		<b>30,975,229</b>	<b>28,669,100</b>	<b>97.61</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>28,669,100</b>	<b>97.61</b>	
Total Investments			28,669,100	97.61	
Net current assets			703,016	2.39	
<b>Total net assets</b>			<b>29,372,116</b>	<b>100.00</b>	

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Enhanced Income Class

As at 31 March 2023

	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>Investment Companies</b>					
<b>Ireland</b>					
iShares USD Short Duration Corp Bond UCITS ETF	22,085	2,310,712	<u>2,140,920</u> 2,140,920	<u>4.21</u> 4.21	<b>NR</b>
<b>United States</b>					
iShares iBoxx High Yield Corporate Bond ETF	13,810	1,151,634	<u>1,043,622</u> 1,043,622	<u>2.05</u> 2.05	<b>NR</b>
<b>Total Investment Companies</b>			<b>3,184,542</b>	<b>6.26</b>	
<b>Corporate Bonds</b>					
<b>Cayman Islands</b>					
Alibaba Group Holding Ltd 2.800% 06/06/2023	2,100,000	2,107,029	2,084,259	4.10	<b>A1</b>
<b>Germany</b>					
Kreditanstalt fuer Wiederaufbau 2.625% 28/02/2024	2,550,000	2,602,229	2,503,735	4.92	<b>Aaa</b>
Kreditanstalt fuer Wiederaufbau 0.250% 19/10/2023	750,000	731,401	731,507	1.44	<b>Aaa</b>
Kreditanstalt fuer Wiederaufbau 1.250% 31/01/2025	1,120,000	1,055,812	<u>1,063,077</u> 4,298,319	<u>2.09</u> 8.45	<b>Aaa</b>
<b>International</b>					
Asian Development Bank 'GMTN' 4.125% 27/09/2024	2,400,000	2,380,385	2,390,986	4.70	<b>Aaa</b>
Asian Development Bank 'GMTN' 0.250% 06/10/2023	1,500,000	1,464,923	1,465,395	2.88	<b>Aaa</b>
European Investment Bank 'GMTN' 2.875% 15/08/2023	1,450,000	1,446,992	1,438,912	2.83	<b>Aaa</b>
European Investment Bank 2.250% 24/06/2024	2,500,000	2,550,119	2,435,245	4.79	<b>Aaa</b>
European Investment Bank 3.250% 29/01/2024	1,000,000	1,020,765	987,893	1.94	<b>Aaa</b>
Inter-American Development Bank 3.000% 04/10/2023	1,000,000	999,273	990,587	1.95	<b>Aaa</b>
Inter-American Development Bank 0.500% 24/05/2023	1,000,000	995,212	993,975	1.95	<b>Aaa</b>
Inter-American Development Bank 0.250% 15/11/2023	1,300,000	1,265,121	1,264,204	2.49	<b>Aaa</b>
Inter-American Development Bank 3.250% 01/07/2024	750,000	730,978	739,487	1.45	<b>Aaa</b>

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Enhanced Income Class (continued)

As at 31 March 2023 (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 (continued)</b>					
<b>Corporate Bonds (continued)</b>					
<b>International (continued)</b>					
International Bank for Reconstruction & Development 1.500% 28/08/2024	1,300,000	1,319,479	1,248,787	2.46	Aaa
International Bank for Reconstruction & Development 0.250% 24/11/2023	2,000,000	1,978,978	1,942,278	3.82	Aaa
			15,897,749	31.26	
<b>Mauritius</b>					
MTN Mauritius Investments Ltd 'REGS' 4.755% 11/11/2024	750,000	730,261	734,063	1.45	Ba2
<b>South Africa</b>					
Standard Bank Group Ltd FRN 5.950% 31/05/2029	900,000	930,233	879,350	1.73	B1
<b>United States</b>					
JPMorgan Chase & Co 3.375% 01/05/2023	1,500,000	1,500,206	1,496,584	2.94	A3
Wells Fargo & Co 'MTN' 3.750% 24/01/2024	1,250,000	1,237,219	1,233,134	2.43	A1
			2,729,718	5.37	
<b>Total Corporate Bonds</b>			<b>26,623,458</b>	<b>52.36</b>	
<b>Government Bonds</b>					
<b>Netherlands</b>					
BNG Bank NV 'REGS' 2.625% 27/02/2024	300,000	305,987	292,729	0.58	Aaa
<b>United States</b>					
United States Treasury Bill (Zero Coupon) 0.000% 06/07/2023	2,000,000	1,975,015	1,975,551	3.89	Aaa
United States Treasury Note/Bond 2.500% 15/08/2023	4,000,000	3,988,681	3,965,647	7.80	Aaa
United States Treasury Note/Bond 1.250% 31/07/2023	4,000,000	3,973,484	3,953,072	7.77	Aaa
United States Treasury Note/Bond 2.125% 30/11/2023	5,000,000	5,001,664	4,917,049	9.67	Aaa
United States Treasury Note/Bond 0.125% 31/08/2023	2,000,000	1,970,627	1,962,852	3.86	Aaa
United States Treasury Note/Bond 1.125% 15/01/2025	1,000,000	933,629	948,068	1.86	Aaa

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Enhanced Income Class (continued)

As at 31 March 2023 (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 (continued)</b>					
<b>Government Bonds (continued)</b>					
<b>United States (continued)</b>					
United States Treasury Note/Bond 2.500% 31/05/2024	2,000,000	1,949,933	<u>1,954,925</u>	<u>3.84</u>	<b>Aaa</b>
			19,677,164	38.69	
<b>Total Government Bonds</b>			<b>19,969,893</b>	<b>39.27</b>	
<b>Total Investments</b>		<b>50,607,981</b>	<b>49,777,893</b>	<b>97.89</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>49,777,893</b>	<b>97.89</b>	
Total Investments			49,777,893	97.89	
Net current assets			<u>1,074,523</u>	<u>2.11</u>	
<b>Total net assets</b>			<b><u>50,852,416</u></b>	<b><u>100.00</u></b>	



# Melville Douglas Income Fund Limited

## Fund Statistics

<b>US Dollar Bond Class***</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in period</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</b>
<b>Class A Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</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
31 March 2023	25,442,573	164.42	3.04	154,742	165.02	157.38
<b>US Dollar Bond Class***</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in period</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</b>
<b>Class B Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</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
31 March 2023	2,066,063	10.01	2.98	206,304	10.05	9.59
<b>US Dollar Bond Class***</b>	<b>Net asset value</b>	<b>Net asset value per Share</b>	<b>% change in period</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</b>
<b>Class C Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</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
31 March 2023	10,377	9.20	3.14	1,128	9.24	8.80

# Melville Douglas Income Fund Limited

## Fund Statistics (continued)

<b>US Dollar Bond Class*** Class X Shares</b>	<b>Net asset value</b>	<b>Net asset value per Share</b>	<b>% change in period</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</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
31 March 2023	103,385,713	10.40	3.48	9,942,215	10.44	9.92

  

<b>Sterling Bond Class*** Class A Shares</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in period</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</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
31 March 2023	3,837,078	108.01	4.46	35,525	110.10	102.47

  

<b>Sterling Bond Class*** Class B Shares</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in period</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</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
31 March 2023	235,910	8.83	4.50	26,729	9.00	8.38

# Melville Douglas Income Fund Limited

## Fund Statistics (continued)

	Net asset value	Net asset value per share	% change in period	Number of shares in issue	Highest* price	Lowest* price
<b>Sterling Bond Class***</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

	Net asset value	Net asset value per share	% change in period	Number of shares in issue	Highest* price	Lowest* Price
<b>Sterling Bond Class***</b>						
<b>Class X Shares</b>	<b>GBP</b>	<b>GBP</b>			<b>GBP</b>	<b>GBP</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
31 March 2023	25,299,128	9.45	4.88	2,677,725	9.62	8.93

	Net asset value	Net asset value per share	% change in period	Number of shares in issue	Highest* price	Lowest* Price
<b>US Dollar Enhanced Income Class</b>						
<b>Class X Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
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
31 March 2023	50,852,416	10.33	2.18	4,920,924	10.34	10.11

\*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 1 December 2021, US Dollar Income Class Fund changed its name to US Dollar Bond Class Fund and Sterling Income Class Fund changed its name to Sterling Bond Class Fund.

The performance data in this table covers the period 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

### Total Expense Ratios

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.

	31 March 2023	31 March 2022
US Dollar Bond Class - Class A Shares	1.04 %	1.04 %
US Dollar Bond Class - Class B Shares	1.14 %	1.14 %
US Dollar Bond Class - Class C Shares	0.84 %	0.84 %
US Dollar Bond Class - Class X Shares	0.23 %	0.24 %
Sterling Bond Class - Class A Shares	1.05 %	1.05 %
Sterling Bond Class - Class B Shares	1.15 %	1.15 %
Sterling Bond Class - Class X Shares	0.25 %	0.25 %
US Dollar Enhanced Income Class - Class X Shares	0.24 %	0.24 %

### Investment Purchases, Investment Sales and Commissions

US Dollar Bond Class*	31 March 2023 USD	31 March 2022 USD
Gross purchases in period including transaction costs	59,463,479	7,731,481
Commissions	(300)	(350)
Net purchases total	<u>59,463,179</u>	<u>7,731,131</u>
Gross sales in period including transaction costs	18,502,554	7,465,453
Commissions	–	(250)
Net sales total	<u>18,502,554</u>	<u>7,465,203</u>
 Sterling Bond Class*	 31 March 2023 GBP	 31 March 2022 GBP
Gross purchases in period including transaction costs	9,122,512	3,520,488
Commissions	(244)	(598)
Net purchases total	<u>9,122,268</u>	<u>3,519,890</u>
Gross sales in period including transaction costs	1,602,618	1,574,057
Commissions	–	(125)
Net sales total	<u>1,602,618</u>	<u>1,573,932</u>

# Melville Douglas Income Fund Limited

## Other Information (continued)

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

	31 March 2023 USD	31 March 2022 USD
<b>US Dollar Enhanced Income Class</b>		
Gross purchases in period including transaction costs	18,974,558	21,109,779
Commissions	(200)	(800)
Net purchases total	<u>18,974,358</u>	<u>21,108,979</u>
Gross sales in period including transaction costs	24,280,202	24,634,344
Commissions	(200)	—
Net sales total	<u>24,280,002</u>	<u>24,634,344</u>