



Melville Douglas Income Fund Limited
Unaudited Interim Report and Financial Statements
For the period 1 October 2020 to 31 March 2021

Melville Douglas Income Fund Limited

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Melville Douglas Income Fund Limited

Administration

Directors

Graham Baillie (South African/British)
Michael Farrow* (British) (Chairman) (Jersey Resident)
Oliver Sonnichler (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 2020 to 31 March 2021.

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 2021 there are three Class Funds (the US Dollar Income Class, the Sterling Income 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 Sonnbichler 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 2021 and subsequently was STANLIB Fund Managers Jersey Limited.

By Order of the Board
STANLIB Fund Managers Jersey Limited

Company Secretary
11 August 2021

Melville Douglas Income Fund Limited

Statements of Financial Position

As at 31 March 2021

(Comparatives as at 30 September 2020)

		US Dollar Income Class 31 March 2021 USD	US Dollar Income Class 30 September 2020 USD	Sterling Income Class 31 March 2021 GBP	Sterling Income Class 30 September 2020 GBP
Notes					
Assets					
Financial assets at fair value through profit or loss	2(b), 7.4	72,109,710	72,108,898	16,164,723	13,672,485
Cash and cash equivalents	2(c)	403,943	610,767	634,244	395,379
Receivable for shares sold	2(f)	26,030	227,742	–	143,000
Income receivable	2(d)	340,223	340,630	64,403	81,053
Total assets		72,879,906	73,288,037	16,863,370	14,291,917
Liabilities					
Payable for shares redeemed	2(f)	98,743	617,555	–	–
Management fees payable	2(g)	38,861	40,075	5,416	5,902
Custodian fees payable	2(g)	2,113	2,103	466	380
Sub-Custodian fees payable	2(g)	792	693	427	165
Director fees payable	2(g)	4,342	5,207	887	975
Audit fees payable	2(g)	3,451	6,233	673	953
Other payables		2,732	2,726	606	526
Total liabilities		151,034	674,592	8,475	8,901
Net assets attributable to holders of redeemable shares		72,728,872	72,613,445	16,854,895	14,283,016
Net asset value per share					
Class A Shares		176.81	180.10	119.75	122.13
Class B Shares*		10.79	11.00	9.81	10.00
Class C Shares**		9.85	10.03	9.78	9.97
Class X Shares		11.00	11.16	10.31	10.47

* On 12 May 2020, Sterling Income Class Fund - Class B Shares launched.

**On 2 June 2020, the US Dollar Income Class Fund - Class C Shares launched and on 14 September 2020, Sterling Income Class Fund - Class C Shares launched.

The notes on pages 10 to 24 form an integral part of these financial statements.

Melville Douglas Income Fund Limited

Statements of Financial Position (continued)

As at 31 March 2021

(Comparatives as at 30 September 2020)

		US Dollar Enhanced Income Class 31 March 2021 USD	US Dollar Enhanced Income Class 30 September 2020 USD	Total 31 March 2021 USD	Total 30 September 2020 USD
	Notes				
Assets					
Financial assets at fair value through profit or loss	2(b), 7.4	65,756,177	48,627,632	160,168,355	138,412,319
Cash and cash equivalents	2(c)	2,019,996	5,055,943	3,299,006	6,177,856
Receivable for shares sold	2(f)	639,588	193,500	665,618	606,112
Income receivable	2(d)	357,078	260,861	786,158	706,276
Total assets		68,772,839	54,137,936	164,919,137	145,902,563
Liabilities					
Payable for investments purchased		1,887,568	1,240,035	1,887,568	1,240,035
Payable for shares redeemed	2(f)	—	—	98,743	617,555
Management fees payable	2(g)	8,982	6,663	55,315	54,368
Custodian fees payable	2(g)	1,949	1,545	4,705	4,139
Sub-Custodian fees payable	2(g)	924	644	2,305	1,550
Director fees payable	2(g)	3,582	2,778	9,148	9,246
Audit fees payable	2(g)	2,325	3,269	6,705	10,734
Other payables		2,374	1,716	5,942	5,122
Total liabilities		1,907,704	1,256,650	2,070,431	1,942,749
Net assets attributable to holders of redeemable shares		66,865,135	52,881,286	162,848,706	143,959,814
Net asset value per share					
Class X Shares		10.28	10.26	—	—

The financial statements were approved by the Board on 11 August 2021.

The notes on pages 10 to 24 form an integral part of these financial statements.

Melville Douglas Income Fund Limited

Statements of Comprehensive Income

For the period 1 October 2020 to 31 March 2021

(Comparatives are for the period 1 October 2019 to 31 March 2020)

	Notes	US Dollar Income Class 31 March 2021 USD	US Dollar Income Class 31 March 2020 USD	Sterling Income Class 31 March 2021 GBP	Sterling Income Class 31 March 2020 GBP
Income					
Dividend income	2(d)	154,930	94,647	33,130	9,449
Interest income	2(d)	595,698	664,823	49,631	43,541
Deposit interest	2(d)	37	1,320	16	143
Net (loss)/gain on financial assets at fair value through profit or loss	2(h), 3	(1,705,750)	2,069,249	(333,947)	(24,424)
Total net (loss)/gain		(955,085)	2,830,039	(251,170)	28,709
Expenses					
Management fees	2(g)	215,876	232,730	29,692	24,813
Custodian fees	2(g)	11,700	11,518	2,309	1,570
Sub-Custodian fees	2(g)	4,562	3,527	1,342	837
Directors' fees	2(g)	9,002	8,249	1,797	1,139
Audit fees	2(g)	3,451	3,284	674	441
Sundry expenses		5,678	4,499	1,179	627
Total operating expenses		250,269	263,807	36,993	29,427
Net (expense)/income before finance costs		(1,205,354)	2,566,232	(288,163)	(718)
Finance Costs:					
Bank interest	2(d)	(133)	–	(619)	(688)
Total Finance Costs		(133)	–	(619)	(688)
Taxation	2(i), 4	(16,871)	–	3,256	–
(Decrease)/Increase in net assets attributable to holders of redeemable shares from operations		(1,222,358)	2,566,232	(285,526)	(1,406)

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 10 to 24 form an integral part of these financial statements.

Melville Douglas Income Fund Limited

Statements of Comprehensive Income (continued)

For the period 1 October 2020 to 31 March 2021

(Comparatives are for the period 1 October 2019 to 31 March 2020)

		US Dollar Enhanced Income Class 31 March 2021 USD	US Dollar Enhanced Income Class 31 March 2020 USD	Total 31 March 2021 USD	Total 31 March 2020 USD
	Notes				
Income					
Dividend income	2(d)	42,808	–	242,413	106,773
Interest income	2(d)	129,780	376,186	792,405	1,096,885
Deposit interest	2(d)	47	1,454	106	2,957
Net (loss)/gain on financial assets at fair value through profit or loss	2(h), 3	(6,311)	(8,065)	(2,162,386)	2,029,841
Total net gain/(loss)		166,324	369,575	(1,127,462)	3,236,456
Expenses					
Management fees	2(g)	45,530	28,088	301,445	292,660
Custodian fees	2(g)	10,079	6,554	30,867	20,087
Sub-Custodian fees	2(g)	5,974	3,319	6,372	7,920
Directors' fees	2(g)	6,958	4,393	18,383	14,104
Audit fees	2(g)	2,325	1,712	6,685	5,562
Sundry expenses		4,699	2,347	11,967	7,650
Total operating expenses		75,565	46,413	375,719	347,983
Net income/(expense) before finance costs		90,759	323,162	(1,503,181)	2,888,473
Finance Costs:					
Bank interest	2(d)	(42)	(3)	(1,010)	(886)
Total Finance Costs		(42)	(3)	(1,010)	(886)
Taxation	2(i), 4	(6,990)	26,363	(19,470)	26,363
Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations		83,727	349,522	(1,523,661)	2,913,950

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 10 to 24 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 31 March 2021 1 October 2020 to 31 March 2021

(Comparatives are for the period 1 October 2019 to 31 March 2020)

	Notes	US Dollar Income Class 31 March 2021 USD	US Dollar Income Class 31 March 2020 USD	Sterling Income Class 31 March 2021 GBP	Sterling Income Class 31 March 2020 GBP
Net assets attributable to holders of redeemable shares at the beginning of the period		72,613,445	68,452,438	14,283,016	9,107,332
Proceeds from the issue of shares	5	8,764,879	7,335,672	4,496,596	2,572,909
Payments on the redemption of shares	5	(7,427,094)	(6,561,297)	(1,639,191)	(287,027)
(Decrease)/Increase in net assets attributable to holders of redeemable shares from investment activities		<u>(1,222,358)</u>	<u>2,566,232</u>	<u>(285,526)</u>	<u>(1,406)</u>
Net assets attributable to holders of redeemable shares at the end of the period		<u>72,728,872</u>	<u>71,793,045</u>	<u>16,854,895</u>	<u>11,391,808</u>

	Notes	US Dollar Enhanced Income Class 31 March 2021 USD	US Dollar Enhanced Income Class 31 March 2020 USD	Total 31 March 2021 USD	Total 31 March 2020 USD
Net assets attributable to holders of redeemable shares at the beginning of the period		52,881,286	35,482,312	143,959,814	115,157,715
Proceeds from the issue of shares	5	20,379,476	3,897,162	35,207,979	14,534,630
Payments on the redemption of shares	5	(6,479,354)	(2,070,846)	(16,116,884)	(9,000,483)
Translation Adjustment*		—	—	1,321,458	(29,345)
Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities		<u>83,727</u>	<u>349,522</u>	<u>(1,523,661)</u>	<u>2,913,950</u>
Net assets attributable to holders of redeemable shares at the end of the period		<u>66,865,135</u>	<u>37,658,150</u>	<u>162,848,706</u>	<u>123,576,467</u>

* The translation adjustment arises from the translation of opening net assets translated at financial period end 31 March 2020 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 2021.

The notes on pages 10 to 24 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 2021 have been prepared in accordance with FRS 104 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 Statements of Comprehensive Income and Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares on pages 7 and 9. In arriving at the results for the period, all amounts in the Statements of Comprehensive Income on pages 7 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 accounted for on an accruals basis using the effective yield basis. 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 Income Class and the US Dollar Enhanced Income Class and Sterling for the Sterling Income 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 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 Income Class 31 March 2021 USD	US Dollar Income Class 31 March 2020 USD	Sterling Income Class 31 March 2021 GBP	Sterling Income Class 31 March 2020 GBP	US Dollar Enhanced Income Class 31 March 2021 USD	US Dollar Enhanced Income Class 31 March 2020 USD	Total 31 March 2021 USD	Total 31 March 2020 USD
Non-derivative securities:								
Net realised gain/(loss) on investments	232,091	196,086	38,147	(518)	(533)	7,636	282,999	203,057
Net movement in unrealised investment schemes	(1,937,841)	1,873,163	(372,172)	(23,910)	(5,778)	(15,701)	(2,445,490)	1,826,779
	<u>(1,705,750)</u>	<u>2,069,249</u>	<u>(334,025)</u>	<u>(24,428)</u>	<u>(6,311)</u>	<u>(8,065)</u>	<u>(2,162,491)</u>	<u>2,029,836</u>
Derivative securities:								
Net movement in unrealised foreign currency	—	—	78	4	—	—	105	5
	<u>—</u>	<u>—</u>	<u>78</u>	<u>4</u>	<u>—</u>	<u>—</u>	<u>105</u>	<u>5</u>
Net (loss)/gain on financial assets at fair value through profit or loss	<u>(1,705,750)</u>	<u>2,069,249</u>	<u>(333,947)</u>	<u>(24,424)</u>	<u>(6,311)</u>	<u>(8,065)</u>	<u>(2,162,386)</u>	<u>2,029,841</u>

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.

	31 March 2021 USD	31 March 2020 USD
US Dollar Income Class		
Overseas tax - withholding tax on dividend income	16,871	—

	31 March 2021 GBP	31 March 2020 GBP
Sterling Income Class		
Overseas tax - withholding tax on dividend income	(3,256)	—

	31 March 2021 USD	31 March 2020 USD
US Dollar Enhanced Income Class		
Overseas tax - withholding tax on dividend income	6,990	26,363

	31 March 2021 USD	31 March 2020 USD
Total		
Overseas tax - withholding tax on dividend income	19,470	26,363

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:

	31 March 2021	30 September 2020
	USD	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 2021.

	Number of shares at 30 September 2020	Issued during the period	Redeemed during the period	Number of shares at 31 March 2021
US Dollar Income Class - Class A Shares	220,400	2,523	(21,765)	201,158
US Dollar Income Class - Class B Shares	137,826	264,544	(73,313)	329,057
US Dollar Income Class - Class C Shares	14,905	11,806	(281)	26,430
US Dollar Income Class - Class X Shares	2,799,487	474,822	(243,564)	3,030,745
Sterling Income Class - Class A Shares	44,308	641	(12,360)	32,589
Sterling Income Class - Class B Shares	10,935	21,154	—	32,089
Sterling Income Class - Class C Shares	8,194	—	—	8,194
Sterling Income Class - Class X Shares	828,962	402,313	(13,147)	1,218,128
US Dollar Enhanced Income Class - Class X Shares	5,152,593	1,983,479	(630,581)	6,505,491

The following table shows the movement in participating shares during the year ended 30 September 2020.

	Number of shares at 30 September 2019	Issued during the year	Redeemed during the year	Number of shares at 30 September 2020
US Dollar Income Class - Class A Shares	257,144	12,209	(48,953)	220,400
US Dollar Income Class - Class B Shares	9,505	136,558	(8,237)	137,826
US Dollar Income Class - Class C Shares**	—	14,905	—	14,905
US Dollar Income Class - Class X Shares	2,275,322	724,219	(200,054)	2,799,487
Sterling Income Class - Class A Shares	35,855	10,217	(1,764)	44,308
Sterling Income Class - Class B Shares*	—	10,935	—	10,935
Sterling Income Class - Class C Shares***	—	8,194	—	8,194
Sterling Income Class - Class X Shares	459,480	397,506	(28,024)	828,962
US Dollar Enhanced Income Class - Class X Shares	3,503,203	1,975,029	(325,639)	5,152,593

* On 12 May 2020, the Class B Shares launched.

** On 2 June 2020, the Class C Shares launched.

*** On 14 September 2020, Class C Shares launched.

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

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 Income Class and the Sterling 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, 1.25% 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 GBP5,000 per annum from the Company as director fees. Graham Baillie and Oliver Sonnichler are entitled to USD10,000 per director per annum from the Company. Robert Stewart is entitled to receive USD10,000 per annum from the Company as director fees.

For the US Dollar Income Class directors fees incurred during the period ended 31 March 2021 amounted to USD9,002 (31 March 2020: USD8,249) with USD4,342 (30 September 2020: USD5,207) outstanding at the period end.

For the Sterling Income Class directors fees incurred during the period ended 31 March 2021 amounted to GBP1,797 (31 March 2020: GBP1,139) with GBP887 (30 September 2020: GBP975) outstanding at the period end.

For the US Dollar Enhanced Income Class directors fees incurred during the period ended 31 March 2021 amounted to USD6,958 (31 March 2020: USD4,393) with USD3,582 (30 September 2020: USD2,778) outstanding at the period end.

All transactions with the above related parties are at arm’s length.

The fees incurred during the period ended 31 March 2021 and 31 March 2020 are as disclosed in the Statements of Comprehensive Income with the amounts outstanding at the period end disclosed in the Statements of Financial Position.

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

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

	31 March 2021	30 September 2020
	USD	USD
US Dollar Income Class	3,605,486	3,605,445
Sterling Income Class	808,236	683,624
US Dollar Enhanced Income Class	3,287,809	2,431,382

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 2021 and 31 March 2020 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:

31 March 2021		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
US Dollar Income Class	2.15%	4 years 2 months

30 September 2020		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
US Dollar Income Class	2.22%	3 years 7 months

31 March 2021		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
Sterling Income Class	1.64%	4 years 10 months

30 September 2020		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
Sterling Income Class	1.78%	4 years 4 months

31 March 2021		
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	2.25%	10 months

30 September 2020		
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	2.03%	7 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 Income Class 31 March 2021

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	59,632,380	787,466	12,309,026	72,728,872
	<u>59,632,380</u>	<u>787,466</u>	<u>12,309,026</u>	<u>72,728,872</u>

US Dollar Income Class 30 September 2020

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	60,759,210	779,122	11,075,113	72,613,445
	<u>60,759,210</u>	<u>779,122</u>	<u>11,075,113</u>	<u>72,613,445</u>

Sterling Income Class 31 March 2021

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
GBP	13,153,312	—	3,701,583	16,854,895
	<u>13,153,312</u>	<u>—</u>	<u>3,701,583</u>	<u>16,854,895</u>

Sterling Income Class 30 September 2020

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
GBP	11,700,285	—	2,582,731	14,283,016
	<u>11,700,285</u>	<u>—</u>	<u>2,582,731</u>	<u>14,283,016</u>

US Dollar Enhanced Income Class 31 March 2021

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	61,663,110	944,959	4,257,066	66,865,135
	<u>61,663,110</u>	<u>944,959</u>	<u>4,257,066</u>	<u>66,865,135</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 2020

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	46,115,178	–	6,766,108	52,881,286
	<u>46,115,178</u>	<u>–</u>	<u>6,766,108</u>	<u>52,881,286</u>

Total 31 March 2021

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	139,233,124	1,942,415	21,673,166	162,848,706
	<u>139,233,124</u>	<u>1,942,415</u>	<u>21,673,166</u>	<u>162,848,706</u>

Total 30 September 2020

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	121,792,751	986,888	21,180,175	143,959,814
	<u>121,792,751</u>	<u>986,888</u>	<u>21,180,175</u>	<u>143,959,814</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.

The tables overleaf show the currency exposure of each Class Fund as at 31 March 2021 and 30 September 2020.

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 Income Class

Exposure currency 31 March 2021	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
USD	72,109,710	403,943	215,219	72,728,872	100.00
	<u>72,109,710</u>	<u>403,943</u>	<u>215,219</u>	<u>72,728,872</u>	<u>100.00</u>

US Dollar Income Class

Exposure currency 30 September 2020	Investments USD	Cash USD	Other net liabilities USD	Total net assets USD	% of net assets
USD	72,108,898	610,767	(106,220)	72,613,445	100.00
	<u>72,108,898</u>	<u>610,767</u>	<u>(106,220)</u>	<u>72,613,445</u>	<u>100.00</u>

Sterling Income Class

Exposure currency 31 March 2021	Investments GBP	Cash GBP	Other net assets GBP	Total net assets GBP	% of net assets
EUR	289,323	159,935	—	449,258	2.66
GBP	14,981,133	450,126	51,190	15,482,449	91.86
USD	894,267	24,183	4,738	923,188	5.48
	<u>16,164,723</u>	<u>634,244</u>	<u>55,928</u>	<u>16,854,895</u>	<u>100.00</u>

Sterling Income Class

Exposure currency 30 September 2020	Investments GBP	Cash GBP	Other net assets GBP	Total net assets GBP	% of net assets
EUR	235,879	164,590	—	400,469	2.80
GBP	12,556,077	217,793	210,290	12,984,160	90.91
USD	880,529	12,996	4,862	898,387	6.29
	<u>13,672,485</u>	<u>395,379</u>	<u>215,152</u>	<u>14,283,016</u>	<u>100.00</u>

US Dollar Enhanced Income Class

Exposure currency 31 March 2021	Investments USD	Cash USD	Other net liabilities USD	Total net assets USD	% of net assets
USD	65,756,177	2,019,996	(911,038)	66,865,135	100.00
	<u>65,756,177</u>	<u>2,019,996</u>	<u>(911,038)</u>	<u>66,865,135</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 2020	Investments USD	Cash USD	Other net liabilities USD	Total net assets USD	% of net assets
USD	48,627,632	5,055,943	(802,289)	52,881,286	100.00
	<u>48,627,632</u>	<u>5,055,943</u>	<u>(802,289)</u>	<u>52,881,286</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 Income Class and US Dollar Enhanced Income Class have no foreign currency exposure for the period ended 31 March 2021 and year ended 30 September 2020.

		Change in net assets 31 March 2021 GBP	Change in net assets 30 September 2020 GBP
Sterling Income Class			
EUR	+/-5%	22,463	20,023
USD	+/-5%	46,159	44,919

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 each Class Fund in accordance with the procedures detailed in its prospectus. Shareholders may redeem all or part of their holding on any subscription day and the redemption proceeds are payable within seven business days of the relevant subscription day. Full details regarding the investment restrictions can be obtained from the prospectus.

The minimum redemption amount which shall be accepted in respect of the Fund is USD750 (Sterling Income Class GBP500). The Manager will not accept a redemption request if as a result the value of the shareholding of participating shares in the Class Fund would fall below the initial subscription amount of USD2,500 (Sterling Income Class GBP1,500). Full details regarding redemption and investment restrictions can be obtained from the prospectus.

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. Full details of the investment restrictions are set out in the Prospectus and individual Class Fund rules.

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.

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.3. Credit risk (continued)

The credit ratings of the investments are disclosed in Portfolio Statements.

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

For the period ended 31 March 2021 the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2020 : AA-) with Standard & Poor's, Aa2 (2020 : Aa2) with Moody's and AA (2020 : 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.

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 31 March 2021 and 30 September 2020 in accordance with FRS 102.

31 March 2021

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
US Dollar Income Class				
Investment Companies	11,689,864	–	–	11,689,864
Common Stock	–	–	–	–
Corporate Bonds	–	26,702,223	–	26,702,223
Government Bonds	24,888,348	8,829,275	–	33,717,623
Total Assets	36,578,212	35,531,498	–	72,109,710

30 September 2020

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
US Dollar Income Class				
Investment Companies	10,570,566	–	–	10,570,566
Corporate Bonds	–	25,434,495	–	25,434,495
Government Bonds	29,108,271	6,995,566	–	36,103,837
Total Assets	39,678,837	32,430,061	–	72,108,898

31 March 2021

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Sterling Income Class				
Investment Companies	3,011,411	–	–	3,011,411
Common Stock	–	–	–	–
Corporate Bonds	–	8,023,072	–	8,023,072
Government Bonds	–	5,130,240	–	5,130,240
Total Assets	3,011,411	13,153,312	–	16,164,723

30 September 2020

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Sterling Income Class				
Investment Companies	1,972,200	–	–	1,972,200
Corporate Bonds	–	5,656,810	–	5,656,810
Government Bonds	–	6,043,475	–	6,043,475
Total Assets	1,972,200	11,700,285	–	13,672,485

31 March 2021

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
US Dollar Enhanced Income Class				
Investment Companies	3,148,108	–	–	3,148,108
Common Stock	–	–	–	–
Corporate Bonds	–	57,249,401	–	57,249,401
Government Bonds	299,994	5,058,674	–	5,358,668
Total Assets	3,448,102	62,308,075	–	65,756,177

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.4. Fair value hierarchy (continued)

30 September 2020

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
US Dollar Enhanced Income Class				
Investment Companies	2,512,454	–	–	2,512,454
Corporate Bonds	–	37,380,543	–	37,380,543
Government Bonds	4,198,699	4,535,936	–	8,734,635
Total Assets	6,711,153	41,916,479	–	48,627,632

For all Class Funds there were no other transfers between Level 1 and Level 2 during the period ended 31 March 2021 and year ended 30 September 2020.

8. Exchange rates

The following exchange rates at 31 March 2021 and 30 September 2020 were used to translate foreign currency assets and liabilities.

US Dollar Income Class and US Dollar Enhanced Income Class

	Period End Exchange Rates		Average Exchange Rates	
	31 March 2021	30 September 2020	31 March 2021	30 September 2020
USD/EUR	0.85084	0.85276	0.83428	0.89361
USD/GBP	0.72480	0.77351	0.74157	0.78465

Sterling Income Class

	Period End Exchange Rates		Average Exchange Rates	
	31 March 2021	30 September 2020	31 March 2021	30 September 2020
GBP/EUR	1.17390	1.10245	1.12503	1.13837
GBP/USD	1.37970	1.29280	1.34849	1.27445

9. Significant events during the period

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (Covid-19). The virus has spread across the world with major outbreaks across Europe, America and the Middle East, resulting in widespread restrictions on the ability of people to travel, socialise and leave their homes. Global financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. All of which may negatively impact the performance of Melville Douglas Income Fund Limited, however the board of directors, the investment manager and all other service providers have enacted their respective business continuity plans and the board of directors will continue to monitor this situation closely.

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. Approval of financial statements

The financial statements were approved by the Directors on 11 August 2021.

Melville Douglas Income Fund Limited

Portfolio Statement

US Dollar Income Class

As at 31 March 2021

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market					
Investment Companies					
Ireland					
iShares USD Corp Bond UCITS ETF	8,310	1,051,494	1,031,313	1.42	NR
iShares USD Short Duration Corp Bond UCITS ETF	68,900	7,058,162	<u>7,154,920</u>	<u>9.83</u>	NR
			8,186,233	11.25	
United States					
iShares iBoxx High Yield Corporate Bond ETF	40,200	3,361,426	3,503,631	4.82	NR
Total Investment Companies			11,689,864	16.07	
Corporate Bonds					
Cayman Islands					
Alibaba Group Holding Ltd 3.125% 28/11/2021	950,000	960,104	963,065	1.33	A1
Tencent Holdings Ltd 'REGS' 2.985% 19/01/2023	708,000	726,025	<u>734,019</u>	<u>1.01</u>	A1
			1,697,084	2.34	
Germany					
Kreditanstalt fuer Wiederaufbau 'EMTN' 2.125% 07/08/2023	2,375,000	2,387,464	2,476,448	3.41	Aaa
Kreditanstalt fuer Wiederaufbau 1.500% 15/06/2021	1,875,000	1,873,363	<u>1,879,987</u>	<u>2.58</u>	Aaa
			4,356,435	5.99	
International					
European Investment Bank 2.500% 15/10/2024	4,950,000	4,997,976	5,289,387	7.27	Aaa
Inter-American Development Bank 'GMTN' 1.125% 13/01/2031	4,750,000	4,605,072	4,447,449	6.12	Aaa
International Bank for Reconstruction & Development 1.375% 20/09/2021	2,200,000	2,197,526	2,213,002	3.04	Aaa
International Bank for Reconstruction & Development 1.500% 28/08/2024	1,180,000	1,190,691	<u>1,218,766</u>	<u>1.68</u>	Aaa
			13,168,604	18.11	
South Africa					
Standard Bank Group Ltd FRN 5.950% 31/05/2029	750,000	776,495	787,466	1.08	B1
United Kingdom					
BAT International Finance Plc 'REGS' 3.250% 07/06/2022	862,000	863,234	884,057	1.21	Baa2
GlaxoSmithKline Capital Plc 2.875% 01/06/2022	500,000	514,084	<u>514,137</u>	<u>0.71</u>	A2
			1,398,194	1.92	

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Income Class (continued)

As at 31 March 2021 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market (continued)					
Corporate Bonds (continued)					
United States					
Apple Inc 2.850% 06/05/2021	1,000,000	1,000,060	1,002,370	1.38	Aa1
Coca-Cola Co/The 3.200% 01/11/2023	1,000,000	997,839	1,072,588	1.47	A1
Nestle Holdings Inc 'EMTN' 3.125% 22/03/2023	1,500,000	1,502,402	1,579,463	2.17	Aa3
Reynolds American Inc 4.850% 15/09/2023	500,000	549,193	549,286	0.76	Baa2
Visa Inc 3.150% 14/12/2025	1,000,000	1,032,604	1,090,733	1.50	Aa3
			5,294,440	7.28	
Total Corporate Bonds			26,702,223	36.72	
Government Bonds					
United States					
United States Treasury Inflation Indexed Bonds 0.125% 15/04/2021	4,265,182	3,804,394	4,273,862	5.88	Aaa
United States Treasury Note/Bond 2.125% 30/06/2022	5,950,000	5,948,515	6,100,057	8.39	Aaa
United States Treasury Note/Bond 2.250% 15/02/2027	8,460,000	8,448,893	8,986,520	12.35	Aaa
United States Treasury Note/Bond 2.875% 31/10/2023	3,760,000	3,802,817	4,013,128	5.52	Aaa
United States Treasury Note/Bond 2.625% 15/02/2029	5,350,000	5,550,560	5,788,643	7.96	Aaa
United States Treasury Note/Bond 1.750% 15/11/2029	4,500,000	4,668,164	4,555,413	6.26	Aaa
			33,717,623	46.36	
Total Government Bonds			33,717,623	46.36	
Total Investments		69,868,557	72,109,710	99.15	
Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market			72,109,710	99.15	
Total Investments			72,109,710	99.15	
Net current assets			619,162	0.85	
Total net assets			72,728,872	100.00	

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

Sterling Income Class

As at 31 March 2021

	Nominal Holding	Cost GBP	Fair Value GBP	% of Net Assets	Credit Rating
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market					
Investment Companies					
Ireland					
iShares EUR High Yield Corp Bond UCITS ETF	3,320	298,354	289,323	1.72	NR
iShares GBP Corp Bond 0-5yr UCITS ETF	20,860	2,224,233	2,219,817	13.17	NR
iShares USD High Yield Corp Bond UCITS ETF	103,210	478,973	502,271	2.98	NR
			3,011,411	17.87	
Total Investment Companies			3,011,411	17.87	
Corporate Bonds					
Germany					
Kreditanstalt fuer Wiederaufbau 'EMTN' 1.000% 15/12/2022	630,000	638,299	638,745	3.79	Aaa
Kreditanstalt fuer Wiederaufbau 'EMTN' 0.875% 15/09/2026	510,000	528,264	517,257	3.07	Aaa
Kreditanstalt fuer Wiederaufbau 'EMTN' 1.250% 29/12/2023	400,000	406,750	410,654	2.44	Aaa
			1,566,656	9.30	
International					
European Bank for Reconstruction & Development 'GMTN' 1.875% 23/02/2022	340,000	267,815	250,190	1.48	NR
European Investment Bank 2.250% 15/08/2022	660,000	534,304	491,877	2.92	Aaa
European Investment Bank 'EMTN' 0.750% 15/11/2024	820,000	831,638	830,767	4.93	Aaa
Inter-American Development Bank 0.500% 15/09/2026	1,620,000	1,639,444	1,605,817	9.53	Aaa
International Bank for Reconstruction & Development 1.000% 21/12/2029	1,575,000	1,600,550	1,572,425	9.33	Aaa
			4,751,076	28.19	
Luxembourg					
Nestle Finance International Ltd 'EMTN' 2.250% 30/11/2023	200,000	204,359	209,502	1.24	Aa3
Netherlands					
Roche Finance Europe BV 'EMTN' 5.375% 29/08/2023	155,000	169,576	172,231	1.02	Aa3
South Africa					
Standard Bank Group Ltd FRN 5.950% 31/05/2029	200,000	162,074	152,200	0.90	B1
United Kingdom					
BAT International Finance Plc 'EMTN' 6.000% 29/06/2022	50,000	53,205	53,320	0.32	Baa2

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

Sterling Income Class (continued)

As at 31 March 2021 (continued)

	Nominal Holding	Cost GBP	Fair Value GBP	% of Net Assets	Credit Rating
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market (continued)					
Corporate Bonds (continued)					
United Kingdom (continued)					
BAT International Finance Plc 'EMTN' 1.750% 05/07/2021	100,000	100,049	100,210	0.59	Baa2
BAT International Finance Plc 'EMTN' 2.250% 26/06/2028	100,000	100,844	99,888	0.59	Baa2
Experian Finance Plc 'EMTN' 3.500% 15/10/2021	150,000	151,725	151,230	0.90	Baa1
GlaxoSmithKline Capital Plc 'EMTN' 3.375% 20/12/2027	200,000	220,199	227,638	1.35	A2
Next Group Plc 5.375% 26/10/2021	100,000	101,711	102,618	0.61	Baa2
Prudential Plc 6.875% 20/01/2023	300,000	332,153	333,198	1.98	A2
			1,068,102	6.34	
United States					
PepsiCo Inc 'EMTN' 2.500% 01/11/2022	100,000	99,057	103,305	0.61	A1
Total Corporate Bonds			8,023,072	47.60	
Government Bonds					
United Kingdom					
United Kingdom Gilt 0.875% 22/10/2029	725,000	766,327	730,793	4.34	Aa3
United Kingdom Gilt 1.500% 22/07/2026	757,200	799,151	800,709	4.75	Aa3
United Kingdom Gilt 1.625% 22/10/2028	1,840,000	1,949,059	1,971,633	11.70	Aa3
United Kingdom Gilt 1.750% 07/09/2022	1,587,900	1,609,125	1,627,105	9.65	Aa3
			5,130,240	30.44	
Total Government Bonds			5,130,240	30.44	
Total Investments		16,267,238	16,164,723	95.91	
Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market					
			16,164,723	95.91	
Total Investments			16,164,723	95.91	
Net current assets			690,172	4.09	
Total net assets			16,854,895	100.00	

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Enhanced Income Class

As at 31 March 2021

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market					
Investment Companies					
Ireland					
iShares USD Short Duration Corp Bond UCITS ETF	18,725	1,960,611	1,944,498	2.91	NR
United States					
iShares iBoxx High Yield Corporate Bond ETF	13,810	1,151,634	1,203,610	1.80	NR
Total Investment Companies			3,148,108	4.71	
Corporate Bonds					
Cayman Islands					
Alibaba Group Holding Ltd 3.125% 28/11/2021	200,000	203,234	202,750	0.31	A1
Alibaba Group Holding Ltd 3.125% 28/11/2021	1,900,000	1,922,944	1,926,130	2.88	A1
Tencent Holdings Ltd 'REGS' 2.985% 19/01/2023	2,000,000	2,073,881	<u>2,073,500</u>	<u>3.10</u>	A1
			4,202,380	6.29	
Germany					
Kreditanstalt fuer Wiederaufbau 1.500% 15/06/2021	2,500,000	2,506,672	2,506,649	3.75	Aaa
Kreditanstalt fuer Wiederaufbau 2.625% 25/01/2022	2,744,000	2,799,628	<u>2,798,847</u>	<u>4.19</u>	Aaa
			5,305,496	7.94	
International					
Asian Development Bank 'GMTN' 1.875% 18/02/2022	3,000,000	3,045,185	3,045,582	4.56	Aaa
Asian Development Bank 'GMTN' 1.750% 08/06/2021	1,900,000	1,905,520	1,905,530	2.85	Aaa
Asian Development Bank 'GMTN' 0.625% 07/04/2022	1,500,000	1,507,222	1,507,220	2.25	Aaa
European Bank for Reconstruction & Development 'GMTN' 1.500% 02/11/2021	2,400,000	2,419,270	2,419,436	3.62	Aaa
European Bank for Reconstruction & Development 'GMTN' 1.875% 23/02/2022	700,000	710,872	710,681	1.06	NR
European Bank for Reconstruction & Development 'GMTN' 2.750% 26/04/2021	300,000	300,533	300,448	0.45	NR
European Bank for Reconstruction & Development 'EMTN' 1.875% 15/07/2021	2,943,000	2,956,678	2,957,185	4.42	NR
European Investment Bank 2.125% 15/10/2021	3,000,000	3,031,982	3,031,632	4.53	Aaa
European Investment Bank 1.375% 15/09/2021	700,000	703,896	703,947	1.05	Aaa
European Investment Bank 2.500% 15/04/2021	2,050,000	2,051,779	2,051,332	3.07	Aaa
Inter-American Development Bank 'GMTN' 1.750% 14/04/2022	2,500,000	2,541,494	2,540,801	3.80	Aaa
Inter-American Development Bank 'GMTN' 2.625% 19/04/2021	300,000	300,365	300,276	0.45	Aaa

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Enhanced Income Class (continued)

As at 31 March 2021 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market (continued)					
Corporate Bonds (continued)					
International (continued)					
Inter-American Development Bank 'GMTN' FRN 0.311% 15/07/2022	500,000	500,385	500,507	0.75	Aaa
Inter-American Development Bank FRN 0.214% 15/03/2022	2,300,000	2,300,943	2,300,060	3.44	Aaa
International Bank for Reconstruction & Development 1.625% 10/02/2022	2,150,000	2,176,678	2,176,934	3.26	Aaa
International Bank for Reconstruction & Development 2.750% 23/07/2021	500,000	503,962	503,979	0.75	Aaa
International Bank for Reconstruction & Development 2.125% 13/12/2021	713,000	722,670	722,861	1.08	Aaa
International Bank for Reconstruction & Development 1.375% 24/05/2021	700,000	701,219	701,181	1.05	Aaa
			28,379,592	42.44	
Mauritius					
MTN Mauritius Investments Ltd 'REGS' 5.373% 13/02/2022	2,000,000	2,057,559	2,050,000	3.07	Ba2
South Africa					
Standard Bank Group Ltd FRN 5.950% 31/05/2029	900,000	938,129	944,959	1.41	B1
United Kingdom					
Anglo American Capital Plc 'REGS' 4.125% 27/09/2022	400,000	420,036	421,500	0.63	Baa2
BAT International Finance Plc 'REGS' 3.250% 07/06/2022	2,200,000	2,262,810	2,256,294	3.37	Baa2
GlaxoSmithKline Capital Plc 2.875% 01/06/2022	1,000,000	1,028,003	1,028,273	1.54	A2
Vodafone Group Plc 2.500% 26/09/2022	2,300,000	2,371,031	2,367,948	3.54	Baa2
			6,074,015	9.08	
United States					
JPMorgan Chase & Co 4.625% 10/05/2021	560,000	562,620	562,414	0.84	A2
McDonald's Corp 'MTN' 2.625% 15/01/2022	1,000,000	1,017,899	1,018,064	1.52	Baa1
Nestle Holdings Inc 'EMTN' 2.375% 18/01/2022	400,000	406,471	406,582	0.61	Aa3
Starbucks Corp 1.300% 07/05/2022	1,000,000	1,011,159	1,010,285	1.51	Baa1
Starbucks Corp 2.700% 15/06/2022	1,661,000	1,704,036	1,701,398	2.54	Baa1
TWDC Enterprises 18 Corp 2.750% 16/08/2021	1,406,000	1,419,144	1,418,903	2.12	A2
TWDC Enterprises 18 Corp 'EMTN' 2.125% 13/09/2022	1,350,000	1,383,358	1,380,888	2.07	A2
UnitedHealth Group Inc 3.350% 15/07/2022	500,000	519,716	519,525	0.78	A3
UnitedHealth Group Inc 3.150% 15/06/2021	625,000	628,703	628,637	0.94	A3
Wells Fargo & Co 2.100% 26/07/2021	102,000	102,610	102,647	0.15	A2

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Enhanced Income Class (continued)

As at 31 March 2021 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market (continued)					
Corporate Bonds (continued)					
United States (continued)					
Wells Fargo & Co 'MTN' 2.625% 22/07/2022	1,500,000	1,544,460	<u>1,543,616</u>	<u>2.31</u>	A2
			10,292,959	15.39	
Total Corporate Bonds			57,249,401	85.62	
Government Bonds					
Netherlands					
BNG Bank NV 'REGS' 2.625% 28/04/2021	1,000,000	1,001,781	1,001,509	1.50	Aaa
BNG Bank NV 'REGS' 1.625% 19/04/2021	1,000,000	1,000,699	1,000,525	1.49	Aaa
BNG Bank NV 'REGS' 1.500% 06/09/2022	3,000,000	3,056,744	<u>3,056,640</u>	<u>4.57</u>	Aaa
			5,058,674	7.56	
United States					
United States Treasury Bill (Zero Coupon) 0.000% 20/05/2021	300,000	299,971	299,994	0.45	NR
Total Government Bonds			5,358,668	8.01	
Total Investments		65,736,196	65,756,177	98.34	
Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market			65,756,177	98.34	
Total Investments			65,756,177	98.34	
Net current assets			<u>1,108,958</u>	<u>1.66</u>	
Total net assets			66,865,135	100.00	

Melville Douglas Income Fund Limited

Fund Statistics

US Dollar Income Class	Net asset value	Net asset value per share	% change in period	Number of shares in issue	Highest* price	Lowest* price
Class A Shares	USD	USD			USD	USD
30 September 2005	65,743,734	143.16	3.87	459,218	151.04	137.66
29 September 2006	71,766,123	149.62	4.51	479,646	157.87	143.22
28 September 2007	81,571,623	155.20	3.73	525,574	163.81	149.85
26 September 2008	98,564,907	160.24	3.25	615,089	168.62	155.52
30 September 2009	71,358,146	160.03	(0.13)	445,918	160.43	157.19
30 September 2010	64,947,357	161.71	1.05	401,620	161.74	160.28
30 September 2011	54,499,755	161.29	(0.26)	337,889	162.50	161.63
30 September 2012	47,144,365	162.10	0.50	290,828	162.59	161.42
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
31 March 2021	35,565,939	176.81	(1.83)	201,158	180.22	176.74

US Dollar Income Class	Net asset value	Net asset value per share	% change in period	Number of shares in issue	Highest* price	Lowest* price
Class B Shares	USD	USD			USD	USD
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
31 March 2021	3,550,741	10.79	(1.90)	329,057	11.00	10.79

US Dollar Income Class	Net asset value	Net asset value per share	% change in period	Number of shares in issue	Highest* price	Lowest* price
Class C Shares	USD	USD			USD	USD
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
31 March 2021	260,389	9.85	(1.77)	26,430	10.04	9.85

US Dollar Income Class	Net asset value	Net asset value per share	% change in period	Number of shares in issue	Highest* price	Lowest* price
Class X Shares	USD	USD			USD	USD
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
31 March 2021	33,351,803	11.00	(1.39)	3,030,745	11.19	11.00

Melville Douglas Income Fund Limited

Fund Statistics (continued)

	Net asset value GBP	Net asset value per share GBP	% change in period	Number of shares in issue	Highest* price GBP	Lowest* price GBP
Sterling Income Class Class A Shares						
30 September 2005	21,472,212	108.15	5.00	198,532	114.11	103.08
29 September 2006	28,874,318	112.27	3.81	257,188	118.46	108.25
28 September 2007	36,573,190	116.19	3.49	314,773	123.71	112.31
26 September 2008	24,579,655	118.35	1.86	207,686	125.82	116.90
30 September 2009	16,287,966	116.19	(1.83)	140,179	118.73	114.22
30 September 2010	10,997,350	118.20	1.73	93,037	118.23	116.42
30 September 2011	8,605,906	118.94	0.63	72,356	119.15	118.02
30 September 2012	5,906,035	117.51	(1.20)	50,259	119.65	117.25
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
31 March 2021	3,902,614	119.75	(1.95)	32,589	122.65	119.54
Sterling Income Class Class B Shares						
At launch (12 May 2020)	42,955	10.00	-	4,292	-	-
30 September 2020	109,404	10.00	-	10,935	10.06	9.97
31 March 2021	314,634	9.81	(1.95)	32,089	10.04	9.79
Sterling Income Class Class C Shares						
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
31 March 2021	80,173	9.78	(1.87)	8,194	10.01	9.77
Sterling Income Class Class X Shares						
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
31 March 2021	12,557,475	10.31	(1.54)	1,218,128	10.53	10.29

Melville Douglas Income Fund Limited

Fund Statistics (continued)

US Dollar Enhanced Income Class Class X Shares	Net asset value USD	Net asset value per share USD	% change in period	Number of shares in issue	Highest* price USD	Lowest* Price 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
31 March 2021	66,865,135	10.28	0.18	6,505,491	10.29	10.26

*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.

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 2021	31 March 2020
US Dollar Income Class - Class A Shares	1.04%	1.04 %
US Dollar Income Class - Class B Shares	1.16%	1.34 %
US Dollar Income Class - Class C Shares**	0.84%	-
US Dollar Income Class - Class X Shares	0.24%	0.24 %
Sterling Income Class - Class A Shares	1.04%	1.05 %
Sterling Income Class - Class B Shares*	1.16%	-
Sterling Income Class - Class C Shares***	0.84%	-
Sterling Income Class - Class X Shares	0.25%	0.25 %
US Dollar Enhanced Income Class - Class X Shares	0.25%	0.26 %

* Class Fund launched on 12 May 2020.

** Class Fund launched on 2 June 2020.

*** Class Fund launched on 14 September 2020.

Melville Douglas Income Fund Limited

Other Information (continued)

Investment Purchases, Investment Sales and Commissions

US Dollar Income Class	31 March 2021 USD	31 March 2020 USD
Gross purchases in period including transaction costs	11,135,590	12,634,511
Commissions	(700)	(450)
Net purchases total	<u>11,134,890</u>	<u>12,634,061</u>
Gross sales in period including transaction costs	9,394,509	11,512,972
Commissions	(500)	(600)
Net sales total	<u>9,394,009</u>	<u>11,512,372</u>
 Sterling Income Class	 31 March 2021 GBP	 31 March 2020 GBP
Gross purchases in period including transaction costs	5,389,259	1,641,678
Commissions	(865)	(397)
Net purchases total	<u>5,388,394</u>	<u>1,641,281</u>
Gross sales in period including transaction costs	2,526,564	301,762
Commissions	(96)	(38)
Net sales total	<u>2,526,468</u>	<u>301,724</u>
	31 March 2021 USD	31 March 2020 USD
US Dollar Enhanced Income Class		
Gross purchases in period including transaction costs	48,000,773	70,895,091
Commissions	(3,700)	(3,550)
Net purchases total	<u>47,997,073</u>	<u>70,891,541</u>
Gross sales in period including transaction costs	30,416,001	71,947,521
Commissions	(200)	(200)
Net sales total	<u>30,415,801</u>	<u>71,947,321</u>