



Melville Douglas Income Fund Limited
Unaudited Interim Report and Financial Statements
For the period 1 October 2019 to 31 March 2020

Melville Douglas Income Fund Limited

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For the period 1 October 2019 to 31 December 2020

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Melville Douglas Income Fund Limited

Administration

Directors

Graham Baillie (South African/British)
Michael Farrow* (British) (Chairman)
Helen Holmes (British) (Resigned effective
24 October 2019)
Oliver Sonnbichler (South African/Austrian)

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 2019 to 31 March 2020.

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 2020 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 Chairman of Melville Douglas Investment Management (Proprietary) Limited. Oliver Sonnbichler is an executive of Melville Douglas Investment Management (Proprietary) 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 2020 and subsequently was STANLIB Fund Managers Jersey Limited.

By Order of the Board

STANLIB Fund Managers Jersey Limited

Company Secretary

11 August 2020

Statements of Financial Position

As at 31 March 2020

(Comparatives as at 30 September 2019)

	Notes	US Dollar Income Class 31 March 2020	US Dollar Income Class 30 September 2019	Sterling Income Class 31 March 2020	Sterling Income Class 30 September 2019
		USD	USD	GBP	GBP
Assets					
Financial assets at fair value through profit or loss	2(b), 7.4	71,216,204	68,015,253	10,023,202	8,739,120
Cash and cash equivalents	2(c)	613,415	227,723	367,807	329,769
Receivable for shares sold	2(f)	117,946	98,644	958,472	—
Income receivable	2(d)	343,392	376,670	48,339	44,436
Total assets		72,290,957	68,718,290	11,397,820	9,113,325
Liabilities					
Payable for shares redeemed	2(f)	446,329	209,641	—	—
Management fees payable	2(g)	40,765	39,234	4,467	4,101
Custodian fees payable	2(g)	2,061	1,895	276	266
Sub-Custodian fees payable	2(g)	592	465	144	109
Director fees payable	2(g)	3,913	5,830	546	612
Audit fees payable	2(g)	3,284	8,202	441	828
Other payables		968	585	138	77
Total liabilities		497,912	265,852	6,012	5,993
Net assets attributable to holders of redeemable shares		71,793,045	68,452,438	11,391,808	9,107,332
Net asset value per share					
Class A Shares		178.08	172.14	121.13	121.53
Class B Shares		10.89	10.54	—	—
Class X Shares		11.00	10.59	10.34	10.34

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 2020

(Comparatives as at 30 September 2019)

	US Dollar Enhanced Income Class 31 March 2020	US Dollar Enhanced Income Class 30 September 2019	Total 31 March 2020	Total 30 September 2019
	Notes	USD	USD	
Assets				
Financial assets at fair value through profit or loss	2(b), 7.4 2(c)	34,159,152 7,164,004	35,192,443 3,898,969	117,803,625 8,233,481
Cash and cash equivalents	2(f)	136,455	10,000	1,442,859
Receivable for shares sold	2(d)	145,714	189,054	549,044
Income receivable		41,605,325	39,290,466	128,029,009
Total assets				119,239,106
Liabilities				
Payable for investments purchased	2(f)	3,407,736 528,481	3,797,059 –	3,407,736 974,810
Payable for shares redeemed	2(g)	5,005	4,517	51,309
Management fees payable	2(g)	1,168	1,054	3,571
Sub-Custodian fees payable	2(g)	480	403	1,251
Director fees payable	2(g)	2,093	2,724	6,683
Audit fees payable	2(g)	1,712	2,096	5,543
Other payables		500	301	1,639
Total liabilities		3,947,175	3,808,154	4,452,542
Net assets attributable to holders of redeemable shares		37,658,150	35,482,312	123,576,467
Net asset value per share				115,157,715
Class X Shares		10.22	10.13	

The financial statements were approved by the Board on 11 August 2020.

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

Statements of Comprehensive Income

For the period 1 October 2019 to 31 March 2020

(Comparatives are for the period 1 October 2018 to 31 March 2019)

	Notes	US Dollar Income Class 31 March 2020	US Dollar Income Class 31 March 2019	Sterling Income Class 31 March 2020	Sterling Income Class 31 March 2019
		USD	USD	GBP	GBP
Income					
Dividend income	2(d)	94,647	70,407	9,449	6,886
Interest income	2(d)	664,823	536,552	43,541	29,658
Deposit interest	2(d)	1,320	5,927	143	184
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 3	2,069,249	1,538,145	(24,424)	58,026
Total net gain		2,830,039	2,151,031	28,709	94,754
Expenses					
Management fees	2(g)	232,730	240,230	24,813	22,198
Custodian fees	2(g)	11,518	10,298	1,570	1,560
Sub-Custodian fees	2(g)	3,527	2,907	837	787
Directors' fees	2(g)	8,249	15,506	1,139	1,410
Audit fees	2(g)	3,284	4,040	441	366
Sundry expenses		4,499	11,536	627	1,110
Total operating expenses		263,807	284,517	29,427	27,431
Net income/(expense) before finance costs		2,566,232	1,866,514	(718)	67,323
Finance Costs:					
Bank overdraft interest		—	—	(688)	(573)
Total Finance Costs		—	—	(688)	(573)
Taxation	2(i), 4	—	—	—	(405)
Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations		2,566,232	1,866,514	(1,406)	66,345

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

Statements of Comprehensive Income (continued)

For the period 1 October 2019 to 31 March 2020

(Comparatives are for the period 1 October 2018 to 31 March 2019)

	Notes	US Dollar Enhanced Income Class 31 March 2020	US Dollar Enhanced Income Class* 31 March 2019	Total 31 March 2020	Total 31 March 2019
		USD	USD	USD	USD
Income					
Dividend income	2(d)	—	—	106,773	79,316
Interest income	2(d)	376,186	21,857	1,096,885	596,785
Deposit interest	2(d)	1,454	—	2,957	6,166
Net (loss)/gain on financial assets at fair value through profit or loss	2(h), 3	(8,065)	5,918	2,029,841	1,619,146
Total net gain		369,575	27,775	3,236,456	2,301,413
Expenses					
Management fees	2(g)	28,088	1,744	292,660	270,698
Custodian fees	2(g)	6,554	407	20,087	12,724
Sub-Custodian fees	2(g)	3,319	182	7,920	4,107
Directors' fees	2(g)	4,393	423	14,104	17,753
Audit fees	2(g)	1,712	153	5,562	4,667
Sundry expenses		2,347	232	7,650	13,204
Total operating expenses		46,413	3,141	347,983	323,153
Net income before finance costs		323,162	24,634	2,888,473	1,978,260
Finance Costs:					
Bank overdraft interest		(3)	—	(886)	(741)
Total Finance Costs		(3)	—	(886)	(741)
Taxation	2(i), 4	26,363	—	26,363	(524)
Increase in net assets attributable to holders of redeemable shares from operations		<u>349,522</u>	<u>24,634</u>	<u>2,913,950</u>	<u>1,976,995</u>

* Class Fund launched on 14 March 2019.

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 period 1 October 2019 to 31 March 2020

(Comparatives are for the period 1 October 2018 to 31 March 2019)

	Notes	US Dollar Income Class 31 March 2020 USD	US Dollar Income Class 31 March 2019 USD	Sterling Income Class 31 March 2020 GBP	Sterling Income Class 31 March 2019 GBP
Net assets attributable to holders of redeemable shares at the beginning of the period		68,452,438	50,895,345	9,107,332	4,737,659
Proceeds from the issue of shares	5	7,335,672	22,752,354	2,572,909	2,882,500
Payments on the redemption of shares	5	(6,561,297)	(7,812,032)	(287,027)	(162,519)
Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities		2,566,232	1,866,514	(1,406)	66,345
Net assets attributable to holders of redeemable shares at the end of the period		71,793,045	67,702,181	11,391,808	7,523,985
	Notes	US Dollar Enhanced Income Class 31 March 2020 USD	US Dollar Enhanced Income Class* 31 March 2019 USD	Total 31 March 2020 USD	Total 31 March 2019 USD
Net assets attributable to holders of redeemable shares at the beginning of the period		35,482,312	—	115,157,715	57,025,682
Proceeds from the issue of shares	5	3,897,162	30,435,472	14,534,630	56,917,663
Payments on the redemption of shares	5	(2,070,846)	(28,053)	(9,000,483)	(8,050,378)
Translation Adjustment**		—	—	(29,345)	68,401
Increase in net assets attributable to holders of redeemable shares from investment activities		349,522	24,634	2,913,950	1,976,995
Net assets attributable to holders of redeemable shares at the end of the period		37,658,150	30,432,053	123,576,467	107,938,363

* Class Fund launched on 14 March 2019.

** The translation adjustment arises from the translation of opening net assets translated at financial period end 31 March 2019 rates, from the Statements of Comprehensive Income being translated at average rates with the closing assets and liabilities translated at the rates of exchange ruling at 31 March 2020.

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

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 2020 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 "The Financial Reporting Standard" for its annual and FRS 104 for its unaudited interim financial statements effective 1 October 2014. The Company has also applied "Amendments to FRS 102 - Fair value hierarchy disclosures" which were issued in March 2016 and are applicable for accounting periods beginning on or after 1 January 2018 with early application permitted. The Company took the option to early adopt the amendments and initially implemented these amendments in the interim period ended 31 March 2016.

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 to 9. In arriving at the results for the period, all amounts in the Statements of Comprehensive Income on pages 7 and 8 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 Statements 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 Statements 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.

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 Fund 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 Statements 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.

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 2020 USD	US Dollar Income Class 31 March 2019 USD	Sterling Income Class 31 March 2020 GBP	Sterling Income Class 31 March 2019 GBP	US Dollar Enhanced Income Class 31 March 2020 USD	US Dollar Enhanced Income Class* 31 March 2019 USD	Total 31 March 2020 USD	Total 31 March 2019 USD
Non-derivative securities:								
Net realised gain/(loss) on investments	196,086	(80,371)	(518)	194	7,636	(17)	203,057	(80,137)
Net movement in unrealised investment schemes	1,873,163	1,618,516	(23,910)	57,835	(15,701)	5,935	1,826,779	1,699,287
	<u>2,069,249</u>	<u>1,538,145</u>	<u>(24,428)</u>	<u>58,029</u>	<u>(8,065)</u>	<u>5,918</u>	<u>2,029,836</u>	<u>1,619,150</u>
Derivative securities:								
Net realised gain on foreign currency contracts	–	–	–	–	–	–	–	–
Net movement in unrealised foreign currency	–	–	4	(3)	–	–	5	(4)
	<u>–</u>	<u>–</u>	<u>4</u>	<u>(3)</u>	<u>–</u>	<u>–</u>	<u>5</u>	<u>(4)</u>
Net gain/(loss) on financial assets at fair value through profit or loss	2,069,249	1,538,145	(24,424)	58,026	(8,065)	5,918	2,029,841	1,619,146

* Class Fund launched on 14 March 2019.

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 2020 USD	31 March 2019 USD
US Dollar Income Class		
Overseas tax - withholding tax on dividend income	–	–
Sterling Income Class		
Overseas tax - withholding tax on dividend income	–	405
US Dollar Enhanced Income Class*		
Overseas tax - withholding tax on dividend income	26,363	–
Total		
Overseas tax - withholding tax on dividend income	26,363	524

* Class Fund launched on 14 March 2019.

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.

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 2020	30 September 2019
	USD	USD
Current account	100	100
Management shares of USD1.00 each	100	100
Authorised, issued and fully paid	100	100

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

Movements of participating shares

The following table shows the movement in participating shares during the period ended 31 March 2020.

	Number of shares at 30 September 2019	Issued during the period	Redeemed during the period	Number of shares at 31 March 2020
US Dollar Income Class - Class A Shares	257,144	8,753	(29,147)	236,750
US Dollar Income Class - Class B Shares	9,505	22,756	–	32,261
US Dollar Income Class - Class X Shares	2,275,322	525,324	(137,527)	2,663,119
Sterling Income Class - Class A Shares	35,855	8,794	(1,764)	42,885
Sterling Income Class - Class X Shares	459,480	146,793	(7,177)	599,096
US Dollar Enhanced Income Class - Class X Shares	3,503,203	383,243	(203,053)	3,683,393

The following table shows the movement in participating shares during the year ended 30 September 2019.

	Number of shares at 30 September 2018	Issued during the year	Redeemed during the year	Number of shares at 30 September 2019
US Dollar Income Class - Class A Shares	297,488	33,269	(73,613)	257,144
US Dollar Income Class - Class B Shares	3,329	8,827	(2,651)	9,505
US Dollar Income Class - Class X Shares	244,024	2,210,440	(179,142)	2,275,322
Sterling Income Class - Class A Shares	33,597	6,611	(4,353)	35,855
Sterling Income Class - Class X Shares	78,041	381,439	–	459,480
US Dollar Enhanced Income Class - Class X Shares*	–	3,584,533	(81,330)	3,503,203

* Class Fund launched on 14 March 2019.

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.

Notes to the Financial Statements (continued)

6. Related Party Transactions and Other Expenses (continued)

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 (reduced from 0.95% on 1 October 2019) 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. Helen Holmes, Graham Baillie and Oliver Sonnbichler are entitled to USD10,000 per director per annum from the Company. On the 24 October 2019, Helen Holmes resigned as a Director of the Company.

For the US Dollar Income Class directors fees incurred during the period ended 31 March 2020 amounted to USD8,249 (31 March 2019: USD15,506) with USD3,913 (30 September 2019: USD5,830) outstanding at the period end.

For the Sterling Income Class directors fees incurred during the period ended 31 March 2020 amounted to GBP1,139 (31 March 2019: GBP1,410) with GBP546 (30 September 2019: GBP612) outstanding at the period end.

For the US Dollar Enhanced Income directors fees incurred during the period ended 31 March 2020 amounted to USD4,393 (31 March 2019: USD423) with USD2,093 (30 September 2019: USD 2,724) 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 2020 and 31 March 2019 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 fixed and variable interest securities and investment companies. 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.

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 2020	30 September 2019
	USD	USD
US Dollar Income Class	3,560,810	3,400,763
Sterling Income Class	501,160	436,956
US Dollar Enhanced Income Class	1,707,958	1,759,622

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 2020 and 30 September 2019 is detailed in Note 7.4, Fair Value Hierarchy.

The below tables indicate the weighted average interest received on fixed rate financial assets and the weighted average period for which the rate is fixed:

31 March 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	2.09%	3 years 10 months

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

Interest rate risk (continued)

30 September 2019		
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	2.12%	3 years 10 months

31 March 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	1.81%	4 years 2 months

30 September 2019		
Programme	Fixed rate financial assets Weighted average interest rate	Fixed rate financial assets weighted average period for which rate is fixed
Sterling Income Class	1.80%	4 years 2 months

31 March 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	2.19%	0 years 4 months

30 September 2019		
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	2.07%	0 years 3 months

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

US Dollar Income Class

31 March 2020

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	64,167,436	—	7,625,609	71,793,045
	<u>64,167,436</u>	<u>—</u>	<u>7,625,609</u>	<u>71,793,045</u>

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

Interest rate risk (continued)

US Dollar Income Class

30 September 2019

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	63,000,593	—	5,451,845	68,452,438
	<u>63,000,593</u>	<u>—</u>	<u>5,451,845</u>	<u>68,452,438</u>

Sterling Income Class

31 March 2020

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
GBP	9,044,005	—	2,347,803	11,391,808
	<u>9,044,005</u>	<u>—</u>	<u>2,347,803</u>	<u>11,391,808</u>

Sterling Income Class

30 September 2019

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
GBP	8,025,033	—	1,082,299	9,107,332
	<u>8,025,033</u>	<u>—</u>	<u>1,082,299</u>	<u>9,107,332</u>

US Dollar Enhanced Income Class

31 March 2020

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	32,559,585	1,599,567	3,498,998	37,658,150
	<u>32,559,585</u>	<u>1,599,567</u>	<u>3,498,998</u>	<u>37,658,150</u>

US Dollar Enhanced Income Class

30 September 2019

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
GBP	35,192,443	—	289,869	35,482,312
	<u>35,192,443</u>	<u>—</u>	<u>289,869</u>	<u>35,482,312</u>

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

Interest rate risk (continued)

Total

31 March 2020

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	109,540,702	—	14,035,765	123,576,467
	<u>109,540,702</u>	<u>—</u>	<u>14,035,765</u>	<u>123,576,467</u>

Total

30 September 2019

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	108,082,284	—	7,075,431	115,157,715
	<u>108,082,284</u>	<u>—</u>	<u>7,075,431</u>	<u>115,157,715</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 following tables show the currency exposure of each Class Fund as at 31 March 2020 and 30 September 2019.

US Dollar Income Class

Exposure currency	Investments	Cash	Other net liabilities	Total net assets	% of net assets
31 March 2020	USD	USD	USD	USD	
USD	71,216,204	613,415	(36,574)	71,793,045	100.00
	<u>71,216,204</u>	<u>613,415</u>	<u>(36,574)</u>	<u>71,793,045</u>	<u>100.00</u>

US Dollar Income Class

Exposure currency	Investments	Cash	Other net assets	Total net assets	% of net assets
30 September 2019	USD	USD	USD	USD	
USD	68,015,253	227,723	209,462	68,452,438	100.00
	<u>68,015,253</u>	<u>227,723</u>	<u>209,462</u>	<u>68,452,438</u>	<u>100.00</u>

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

Currency risk (continued)

Sterling Income Class

Exposure currency 31 March 2020	Investments GBP	Cash GBP	Other net assets GBP	Total net assets GBP	% of net assets
EUR	–	187,897	–	187,897	1.65
GBP	9,528,216	166,522	999,461	10,694,199	93.88
USD	494,986	13,388	1,338	509,712	4.47
	10,023,202	367,807	1,000,799	11,391,808	100.00

Sterling Income Class

Exposure currency 30 September 2019	Investments GBP	Cash GBP	Other net assets GBP	Total net assets GBP	% of net assets
EUR	–	187,847	–	187,847	2.06
GBP	8,251,477	133,838	37,096	8,422,411	92.48
USD	487,643	8,084	1,347	497,074	5.46
	8,739,120	329,769	38,443	9,107,332	100.00

US Dollar Enhanced Income Class

Exposure currency 31 March 2020	Investments USD	Cash USD	Other net liabilities USD	Total net assets USD	% of net assets
USD	34,159,152	7,164,005	(3,665,007)	37,658,150	100.00
	34,159,152	7,164,005	(3,665,007)	37,658,150	100.00

US Dollar Enhanced Income Class

Exposure currency 30 September 2019	Investments USD	Cash USD	Other net liabilities USD	Total net assets USD	% of net assets
USD	35,192,443	3,898,969	(3,609,100)	35,482,312	100.00
	35,192,443	3,898,969	(3,609,100)	35,482,312	100.00

Currency risk is not managed in its separate from. 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 as at 31 March 2020 or 30 September 2019.

7. Financial risk management (continued)

7.1. Market risk (continued)

Currency risk (continued)

Sterling Income Class		Change in net assets	Change in net assets
		31 March 2020	30 September 2019
		GBP	GBP
EUR	+/-5%	9,395	9,392
USD	+/-5%	25,486	24,854

Notes to the Financial Statements (continued)

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.

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.

The credit ratings of the investments are disclosed in the 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 2020 the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2019 : AA-) with Standard & Poor's, Aa2 (2019 : Aa2) with Moody's and AA- (2019 : 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.

7. Financial risk management (continued)

7.4. Fair value hierarchy (continued)

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).

Notes to the Financial Statements (continued)

- 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 2020 and 30 September 2019 in accordance with FRS 102.

31 March 2020

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
US Dollar Income Class				
Investment Companies	7,048,768	–	–	7,048,768
Corporate Bonds	–	24,195,675	–	24,195,675
Government Bonds	32,140,117	7,831,644	–	39,971,761
Total Assets	39,188,885	32,027,319	–	71,216,204

30 September 2019

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
US Dollar Income Class				
Investment Companies	5,014,660	–	–	5,014,660
Corporate Bonds	–	25,469,414	–	25,469,414
Government Bonds	32,122,889	5,408,290	–	37,531,179
Total Assets	37,137,549	30,877,704	–	68,015,253

7. Financial risk management (continued)

7.4. Fair value hierarchy (continued)

31 March 2020

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Sterling Income Class				
Investment Companies	979,197	–	–	979,197
Corporate Bonds	–	3,157,120	–	3,157,120
Government Bonds	–	5,886,885	–	5,886,885
Total Assets	979,197	9,044,005	–	10,023,202

30 September 2019

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Sterling Income Class				
Investment Companies	714,087	–	–	714,087
Corporate Bonds	–	2,815,166	–	2,815,166
Government Bonds	–	5,209,867	–	5,209,867
Total Assets	714,087	8,025,033	–	8,739,120

Notes to the Financial Statements (continued)

31 March 2020

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
US Dollar Enhanced Income Class				
Corporate Bonds	—	24,508,915	—	24,508,915
Government Bonds	3,847,512	5,802,725	—	9,650,237
Total Assets	3,847,512	30,311,640	—	34,159,152

30 September 2019

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
US Dollar Enhanced Income Class				
Corporate Bonds	—	21,796,058	—	21,796,058
Government Bonds	12,386,280	1,010,105	—	13,396,385
Total Assets	12,386,280	22,806,163	—	35,192,443

For US Dollar Income Class, two government bonds with a market value of USD22,618,579 were transferred from Level 2 to Level 1 during the year ended 30 September 2019. For all other Class Funds, there were no other transfers between Level 1 and Level 2 during the period ended 31 March 2020 or year ended 30 September 2019.

8. Exchange rates

The following exchange rates at 31 March 2020 and 30 September 2019 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 2020	30 September 2019	31 March 2020	30 September 2019
USD/EUR	0.91137	0.91277	0.90531	0.88657
USD/GBP	0.80648	0.81149	0.77925	0.78371

Sterling Income Class Fund

	Period End Exchange Rates		Average Exchange Rates	
	31 March 2020	30 September 2019	31 March 2020	30 September 2019
GBP/EUR	1.13005	1.13035	1.16249	1.13172
GBP/USD	1.23995	1.23230	1.28429	1.27677

Notes to the Financial Statements (continued)

9. Significant events during the period

From 1 October 2019, the management and administration fees on the Class C Shares were reduced to 0.75%.

On 24 October 2019, Helen Holmes resigned as a Director of the Company.

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

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.

10. Post statement of financial position events

On 9 April 2020, Robert Stewart was appointed Director of the Company.

On 12 May, the B shares of the Income Sterling Class were launched.

There were no other 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 2020.

Melville Douglas Income Fund Limited

Fund Statistics

	Net asset value	Net asset value per share	% change in period	Number of shares in issue	Highest* price USD	Lowest* price USD
	USD	USD				
US Dollar Income Class						
Class A Shares						
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
31 March 2020	42,159,730	178.08	3.45	236,750	178.42	171.27
US Dollar Income Class						
Class B Shares						
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
31 March 2020	351,197	10.89	3.32	32,261	10.91	10.48
US Dollar Income Class						
Class X Shares						
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
31 March 2020	29,282,118	11.00	3.87	2,663,119	11.01	10.54
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
31 March 2020	5,194,568	121.13	(0.33)	42,885	122.09	119.42

Fund Statistics (continued)

Melville Douglas Income Fund Limited

Sterling Income Class Class X Shares	Net asset value GBP	Net asset value per share GBP	% change in period	Number of shares in issue	Highest* price GBP	Lowest* price GBP
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
31 March 2020	6,197,240	10.34	-	599,096	10.42	10.18
 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	-	-
31 September 2019	35,482,312	10.13	1.30	3,503,203	10.13	9.99
31 March 2020	37,658,150	10.22	0.89	3,683,393	10.23	10.13

*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.

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 a Class Fund is investing in other funds, the ongoing cost of these funds is not incorporated in the calculation of the TER.

	31 March 2020	31 March 2019
US Dollar Income Class Fund - Class A Shares	1.04%	1.11%
US Dollar Income Class Fund - Class B Shares	1.34%	1.40%
US Dollar Income Class Fund - Class X Shares	0.24%	0.29%
Sterling Income Class Fund - Class A Shares	1.05%	1.14%
Sterling Income Class Fund - Class X Shares	0.25%	0.32%
US Dollar Enhanced Income Class Fund - Class X Shares	0.26%	0.29%

Melville Douglas Income Fund Limited

Other Information (continued)

Investment Purchases, Investment Sales and Commissions

	31 March	31 March
	2020	2019
	USD	USD
Gross purchases in period including transaction costs	12,634,511	18,661,065
Commissions	(450)	(950)
Net purchases total	12,634,061	18,660,115
Gross sales in period including transaction costs	11,512,972	3,928,093
Commissions	(600)	(100)
Net sales total	11,512,372	3,927,993
Sterling Income Class	31 March	31 March
	2020	2019
	GBP	GBP
Gross purchases in period including transaction costs	1,641,678	2,610,824
Commissions	(397)	(975)
Net purchases total	1,641,281	2,609,849
Gross sales in period including transaction costs	301,762	200,000
Commissions	(38)	–
Net sales total	301,724	200,000
	31 March	31 March
	2020	2019
	USD	USD
US Dollar Enhanced Income Class*		
Gross purchases in period including transaction costs	70,895,091	30,330,685
Commissions	(3,550)	(1,450)
Net purchases total	70,891,541	30,329,235
Gross sales in period including transaction costs	71,947,521	645,464
Commissions	(200)	(100)
Net sales total	71,947,321	645,364

* Class Fund launched on 14 March 2019.

Melville Douglas Income Fund Limited

Portfolio Statement

US Dollar Income Class

As at 31 March 2020

	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 plc - iShares USD Corp Bond UCITS ETF	4,050	501,912	482,456	0.67	NR
iShares USD Short Duration Corp Bond UCITS ETF	65,100	6,659,566	6,566,312	9.15	NR
			7,048,768	9.82	
Total Investment Companies			7,048,768	9.82	
Corporate Bonds					
Germany					
Kreditanstalt fuer Wiederaufbau 'EMTN' 2.125% 07/08/2023	2,375,000	2,392,597	2,496,244	3.48	Aaa
Kreditanstalt fuer Wiederaufbau 1.500% 15/06/2021	2,375,000	2,363,206	2,402,247	3.34	Aaa
			4,898,491	6.82	
International					
European Investment Bank 2.500% 15/10/2024	4,950,000	5,011,058	5,360,142	7.47	Aaa
International Bank for Reconstruction & Development 1.375% 20/09/2021	4,950,000	4,894,914	5,013,169	6.98	Aaa
International Bank for Reconstruction & Development 1.500% 28/08/2024	750,000	742,524	778,518	1.09	Aaa
			11,151,829	15.54	
United Kingdom					
BAT International Finance Plc 'REGS' 3.250% 07/06/2022	862,000	864,277	853,595	1.19	Baa2
United States					
Apple Inc 2.850% 06/05/2021	1,200,000	1,200,848	1,224,358	1.71	Aa1
Coca-Cola Co/The 3.200% 01/11/2023	1,000,000	997,057	1,086,585	1.51	A1
Microsoft Corp 3.000% 01/10/2020	1,111,000	1,118,696	1,120,152	1.56	Aaa
Nestle Holdings Inc 'EMTN' 3.125% 22/03/2023	1,500,000	1,503,587	1,554,705	2.17	Aa3
Unilever Capital Corp 2.100% 30/07/2020	1,215,000	1,217,236	1,215,546	1.69	A1
Visa Inc 3.150% 14/12/2025	1,000,000	1,039,080	1,090,414	1.52	Aa3
			7,291,760	10.16	
Total Corporate Bonds			24,195,675	33.71	
Government Bonds					
United States					
United States Treasury Inflation Indexed Bonds 0.125% 15/04/2021	5,185,845	4,836,771	5,082,764	7.08	Aaa

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Income Class (continued)

As at 31 March 2020 (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)					
Government Bonds (continued)					
United States (continued)					
United States Treasury Note/Bond 2.125% 30/06/2022	11,800,000	11,687,167	12,274,029	17.10	Aaa
United States Treasury Note/Bond 2.250% 15/02/2027	8,060,000	8,001,747	8,984,747	12.51	Aaa
United States Treasury Note/Bond 2.875% 31/10/2023	4,250,000	4,272,637	4,631,035	6.45	Aaa
United States Treasury Note/Bond 2.625% 15/02/2029	5,350,000	5,573,873	6,250,306	8.70	Aaa
United States Treasury Note/Bond 1.750% 15/11/2029	2,500,000	2,517,931	2,748,880 39,971,761	3.83 55.67	Aaa
Total Government Bonds			39,971,761	55.67	
Total Investments		67,396,684	71,216,204	99.20	
Total Transferable Securities Admitted to an Official Stock Exchange Listing or Dealt in on another Regulated Market			71,216,204	99.20	
Total Investments		71,216,204	99.20		
Net current assets		576,841	0.80		
Total net assets		71,793,045	100.00		

Portfolio Statement (continued)

Sterling Income Class

As at 31 March 2020

	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 GBP Corp Bond 0-5yr UCITS ETF	9,555	1,014,545	979,197	8.60	NR
Total Investment Companies			979,197	8.60	
Corporate Bonds					
Germany					
Kreditanstalt fuer Wiederaufbau 'EMTN' 1.625% 05/06/2020	634,000	634,759	635,430	5.58	Aaa
International					
European Investment Bank 2.250% 15/08/2022	590,000	474,494	494,986	4.34	Aaa
European Investment Bank 'EMTN' 0.875% 15/03/2021	150,000	150,325	150,526	1.32	Aaa
International Bank for Reconstruction & Development 0.625% 15/12/2023	757,000	743,555	756,099	6.64	Aaa
			1,401,611	12.30	
Luxembourg					
Nestle Finance International Ltd 'EMTN' 2.250% 30/11/2023	200,000	205,994	202,343	1.77	Aa3
Netherlands					
Roche Finance Europe BV 'EMTN' 5.375% 29/08/2023	155,000	175,483	175,246	1.54	Aa3
United Kingdom					
BAT International Finance Plc 'EMTN' 1.750% 05/07/2021	100,000	100,257	99,100	0.87	Baa2
GlaxoSmithKline Capital Plc 'EMTN' 3.375% 20/12/2027	100,000	103,126	109,930	0.96	A2
Next Group Plc 5.375% 26/10/2021	100,000	104,655	104,634	0.92	Baa2
Prudential Plc 6.875% 20/01/2023	200,000	231,378	226,136	1.99	A2
			539,800	4.74	
United States					
International Business Machines Corp 'EMTN' 2.750% 21/12/2020	100,000	100,690	101,051	0.89	A2
PepsiCo Inc 'EMTN' 2.500% 01/11/2022	100,000	98,485	101,639	0.89	A1
			202,690	1.78	
Total Corporate Bonds			3,157,120	27.71	

Portfolio Statement (continued)

Sterling Income Class (continued)

As at 31 March 2020 (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)					
Government Bonds					
United Kingdom					
United Kingdom Gilt 0.875% 22/10/2029	220,000	233,982	231,816	2.03	Aa2
United Kingdom Gilt 1.500% 22/01/2021	600,000	603,954	606,678	5.33	Aa2
United Kingdom Gilt 1.500% 22/07/2026	857,200	896,700	928,185	8.15	Aa2
United Kingdom Gilt 1.625% 22/10/2028	1,840,000	1,963,012	2,056,917	18.06	Aa2
United Kingdom Gilt 1.000% 22/04/2024	400,000	408,699	413,556	3.63	Aa2
United Kingdom Gilt 1.750% 07/09/2022	1,587,900	1,623,808	<u>1,649,733</u> 5,886,885	<u>14.48</u> 51.68	Aa2
Total Government Bonds			5,886,885	51.68	
Total Investments		9,867,901	10,023,202	87.99	
Total Transferable Securities Admitted to an Official Stock Exchange Listing or Dealt in on another Regulated Market			10,023,202	87.99	
Total Investments		10,023,202	87.99		
Net current assets		<u>1,368,606</u>	<u>12.01</u>		
Total net assets		<u>11,391,808</u>	<u>100.00</u>		

Portfolio Statement (continued)

US Dollar Enhanced Income Class

As at 31 March 2020

	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					
Corporate Bonds					
Germany					
Kreditanstalt fuer Wiederaufbau 2.750% 15/07/2020	1,830,000	1,832,039	1,839,486	4.89	Aaa
International					
Asian Development Bank 'GMTN' 1.625% 05/05/2020	695,000	695,692	695,353	1.85	Aaa
Asian Development Bank 'GMTN' 1.625% 26/08/2020	1,200,000	1,204,925	1,204,373	3.20	Aaa
European Investment Bank 2.875% 15/09/2020	1,075,000	1,086,181	1,084,953	2.88	Aaa
European Investment Bank 1.375% 15/06/2020	2,400,000	2,398,515	2,402,276	6.38	Aaa
Inter-American Development Bank 'GMTN' 1.875% 16/06/2020	1,900,000	1,900,826	1,903,292	5.05	Aaa
Inter-American Development Bank FRN 0.771% 15/03/2022	1,100,000	1,100,589	1,098,822	2.92	Aaa
Inter-American Development Bank 'GMTN' FRN 1.289% 15/07/2022	500,000	500,682	500,745	1.33	Aaa
International Bank for Reconstruction & Development 2.125% 01/11/2020	2,620,000	2,643,420	2,640,278	7.01	Aaa
International Bank for Reconstruction & Development 1.625% 04/09/2020	161,000	161,715	161,504	0.43	Aaa
			11,691,596	31.05	
South Africa					
FirstRand Bank Ltd 'EMTN' 4.250% 30/04/2020	900,000	900,492	901,445	2.39	Ba1
United States					
Amazon.com Inc 1.900% 21/08/2020	950,000	947,778	949,077	2.52	A2
JPMorgan Chase & Co 2.550% 29/10/2020	1,200,000	1,203,735	1,201,705	3.19	A2
McDonald's Corp 'MTN' 2.750% 09/12/2020	1,100,000	1,101,109	1,101,389	2.92	Baa1
Nestle Holdings Inc 'EMTN' 1.875% 09/03/2021	1,100,000	1,101,371	1,102,931	2.93	Aa3
Prudential Financial Inc 'MTN' 5.375% 21/06/2020	1,200,000	1,207,572	1,208,485	3.21	A3
Unilever Capital Corp 1.800% 05/05/2020	500,000	500,049	499,862	1.33	A1
Unilever Capital Corp 2.100% 30/07/2020	500,000	499,113	500,225	1.33	A1
UnitedHealth Group Inc 2.700% 15/07/2020	1,200,000	1,203,204	1,201,208	3.19	A3
Visa Inc 2.200% 14/12/2020	750,000	752,393	754,207	2.00	Aa3
Walt Disney Co/The 4.500% 15/02/2021	391,000	400,321	401,027	1.07	A2
Wells Fargo & Co 'MTN' 2.550% 07/12/2020	1,156,000	1,161,908	1,156,272	3.07	A2
			10,076,388	26.76	
Total Corporate Bonds			24,508,915	65.09	

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Enhanced Income Class (continued)

As at 31 March 2020 (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)					
Government Bonds					
United States					
United States Treasury Bill (Zero Coupon) 0.000% 13/08/2020	1,400,000	1,392,058	1,399,322	3.71	NR
United States Treasury Bill (Zero Coupon) 0.000% 09/04/2020	1,150,000	1,149,825	1,149,978	3.05	NR
United States Treasury Bill (Zero Coupon) 0.000% 25/02/2021	1,300,000	1,299,518	1,298,212	3.45	NR
United States Treasury Note/Bond 2.500% 31/05/2020	2,150,000	2,153,109	2,157,072	5.73	Aaa
United States Treasury Note/Bond 2.750% 30/09/2020	3,600,000	3,620,239	<u>3,645,653</u> 9,650,237	<u>9.68</u> 25.62	<u>Aaa</u>
Total Government Bonds			9,650,237	25.62	
Total Investments		34,118,378	34,159,152	90.71	
Total Transferable Securities Admitted to an Official Stock Exchange Listing or Dealt in on another Regulated Market			34,159,152	90.71	
Total Investments		34,159,152	90.71		
Net current assets		<u>3,498,998</u>	<u>9.29</u>		
Total net assets		<u>37,658,150</u>	<u>100.00</u>		