



**Melville Douglas Income Fund Limited  
Annual Report and Audited Financial Statements  
Year ended 30 September 2023**

# Melville Douglas Income Fund Limited

## Annual Report and Audited Financial Statements

For the year ended 30 September 2023

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# Melville Douglas Income Fund Limited

## Administration

### Directors

Graham Baillie (South African/British) (resigned on 10 August 2023)

Michael Farrow\* (British) (Chairman) (Jersey Resident)

Michael Laws (British) (South African Resident) (appointed on 11 August 2023)

Oliver Sonnbichler (South African/Austrian)

Robert Stewart (South African) (Jersey Resident)

### Sub-Custodian and Banker

The Bank of New York Mellon SA/NV London Branch

The Bank of New York Mellon Centre

160 Queen Victoria Street

London EC4V 4LA

United Kingdom

### Registered Office

Standard Bank House

47 - 49 La Motte Street

St. Helier

Jersey JE2 4SZ

Channel Islands

### Administrator

BNY Mellon Fund Services (Ireland) Designated

Activity Company

One Dockland Central, Guild Street

International Financial Services Centre

Dublin 1

Ireland

### Manager and Secretary

STANLIB Fund Managers Jersey Limited

Standard Bank House

47 - 49 La Motte Street

St. Helier

Jersey JE2 4SZ

Channel Islands

### Independent Auditors

PricewaterhouseCoopers

One Spencer Dock

North Wall Quay

Dublin 1

Ireland

### Investment Manager

Melville Douglas Investment

Management (Proprietary) Limited

30 Baker Street

Rosebank

Johannesburg, 2196

Republic of South Africa

### Legal Adviser

Ogier

Ogier House

44 Esplanade

St. Helier

Jersey JE4 9WG

Channel Islands

### Custodian

Apex Financial Services (Corporate) Limited

IFC 5

St. Helier

Jersey JE1 1ST

Channel Islands

\*Independent Non-Executive Director.

# Melville Douglas Income Fund Limited

## Report of the Directors

The directors submit their annual audited report and financial statements for the year 30 September 2023.

### Incorporation

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

### Structure

The Company offers investors a choice of classes (each such class being referred to as a “Class Fund”) and the opportunity to switch from one Class Fund to another. As at 30 September 2023 there are three Class Funds (the US Dollar Bond Class, the Sterling Bond Class and the US Dollar Enhanced Income Class). A separate Class Fund is established for each class of participating shares and each Class Fund is managed separately and independently.

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

### Objective and investment policy

The objective of the Class Funds is to provide a return in excess of its benchmark in US Dollars and Sterling respectively, whilst seeking to maintain a high degree of capital preservation, by investing primarily in quality global fixed interest securities, and, where in the opinion of the Investment Manager, direct investment in fixed interest securities will not achieve sufficient diversification to achieve the Class Fund’s objective, in other collective investment schemes, money market instruments and cash that will maximise total returns in Base Currency. For the avoidance of doubt the Class Fund may also invest in collective investment schemes investing in real estate (including buildings) or interests in real estate (including options or rights in respect of real estate) and make other investments which are not prohibited by the investment restrictions set out in the prospectus.

### Results and dividends

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

### Directors

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

Graham Baillie (resigned 10 August 2023) is non-executive Chairman of Melville Douglas Investment Management (Proprietary) Limited. Michael Laws (appointed 11 August 2023) is an executive 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") 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

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

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

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

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

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

### Connected Persons

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

### Independent Auditors

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

### Secretary

The Secretary of the Company during the year ended 30 September 2023 and subsequently was STANLIB Fund Managers Jersey Limited.

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

**Company Secretary**  
**15 January 2024**



# Melville Douglas Income Fund Limited

## Report of the Custodian

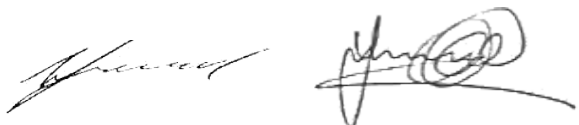
To the members of Melville Douglas Income Fund Limited.

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

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

It is the opinion of Apex Financial Services (Corporate) Limited in respect of the year ended 30 September 2023 that to the best of our information, knowledge and belief, that in all material respects, the Manager managed the Class Funds in that year:

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



**Apex Financial Services (Corporate) Limited**  
**Custodian**  
**15 January 2024**



# Melville Douglas Income Fund Limited

## Investment Manager's Report

For the year ended 30 September 2023

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

#### Fund Review

The objective of the Class Fund is to provide a return in excess of its benchmark in US Dollars, whilst seeking to maintain a high degree of capital preservation, by investing primarily in quality global fixed interest securities, and, where in the opinion of the Investment Manager, direct investment in fixed interest securities will not achieve sufficient diversification to achieve the Class Fund's objective, in other collective schemes, money market instruments and cash that will maximise total returns in US Dollars.

- The Fund's performance for the third quarter was -2.37% (A Class), -2.40% (B Class), -2.32% (C Class) and -2.18% (X Class), versus the benchmark return of -1.88%.
- The Fund's performance for the 12 months to 30th September was -0.38% (A Class), -0.48% (B Class), -0.18% (C Class) and +0.42% (X Class) versus the benchmark return of +1.62%.

#### Market Overview

A combination of falling, but still elevated inflation together with strong employment markets in developed economies has forced central banks to remain focused on the necessary action required to bring inflation back down to target levels, with persistent warnings that restrictive monetary policy will remain in place for longer than originally anticipated, something we have communicated in previous updates. Bond markets have adjusted for this outlook in the period under review with yields on 10-year sovereign US and UK bonds re-testing levels last seen prior to the global financial crisis (GFC) in 2008. Whilst concerns continue to be raised over the negative implications of higher interest rates, we must be mindful that current monetary policies have only returned to more 'normalised' levels from what we have experienced post the GFC, a period where central banks manipulated markets with the sheer volume of bond purchases under their quantitative easing programs.

#### Looking Ahead

The US Federal Reserve (Fed) kept interest rates on hold in September, but the accompanying 'hawkish' undertone was clearly noted by the bond market which sold off further despite no move in rates. Monetary policy concerns have shifted from 'how high' to 'how long' and news that the Fed's interest rate projections out to 2026 had shifted higher asserted the growing view that interest rates are going to remain in restrictive territory for longer. The latest 'dot plot' now assumes only two rate cuts next year which fits with the 'soft landing' narrative. Indeed, the Fed's conviction for this outcome appears to be climbing with more positive revisions to both growth and employment next year. The determining factor for this monetary policy outlook remains inflation and we believe it should continue to trend lower but a return to central bank target levels will likely take longer than originally forecast.

Resilient economic growth, above target inflation and higher for longer interest rates are likely to keep US government bond yields elevated, at least over the short-term. However, bond markets are discounting mechanisms and many of these factors have already been priced in and should ensure that longer-dated yields are close to their peak, allowing a good opportunity to extend durations and lock into these attractive yields for the longer-term. This is a process we have been implementing in the Fund over recent quarters and one that we believe will reward investors over the medium to long-term as inflation trends closer to target levels. The duration of the Fund is now broadly in line with the benchmark (neutral) and we may increase to overweight in the coming months if more evidence presents itself that the Fed are transitioning to a more dovish monetary policy outlook.

The US Dollar remains our preferred currency and has appreciated sharply in the third quarter. The relentless upward march in US government bond yields continues to support the currency, particularly now given the prospect of both interest rates and yields remaining higher for longer. The currency continues to benefit from positive growth differentials and an enhanced yield against counterparts such as the Euro and Yen and is now also deemed to be a 'safe haven', a very supportive combination which we believe will be tough to break, at least over the medium term – the Fund remains maximum overweight.

# Melville Douglas Income Fund Limited

## Investment Manager's Report (continued)

For the year ended 30 September 2023

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

#### Fund Review

The objective of the Class Fund is to provide a return in excess of its benchmark in Sterling, whilst seeking to maintain a high degree of capital preservation, by investing primarily in quality global fixed interest securities, and, where in the opinion of the Investment Manager, direct investment in fixed interest securities will not achieve sufficient diversification to achieve the Class Fund's objective, in other collective schemes, money market instruments and cash that will maximise total returns in Sterling.

- The Fund's performance for the third quarter was +2.24% (A Class), +2.22% (B Class) and +2.45% (X Class), outperforming the benchmark return of +1.87%.
- The Fund's performance for the 12 months to 30th September was +2.52% (A Class), +2.42% (B Class), and +3.34% (X Class) outperforming the benchmark return of +2.17%.

#### Market Overview

A combination of falling, but still elevated inflation together with strong employment markets in developed economies has forced central banks to remain focused on the necessary action required to bring inflation back down to target levels, with persistent warnings that restrictive monetary policy will remain in place for longer than originally anticipated, something we have communicated in previous updates. Bond markets have adjusted for this outlook in the period under review with yields on 10-year sovereign US and UK bonds re-testing levels last seen prior to the global financial crisis (GFC) in 2008. Whilst concerns continue to be raised over the negative implications of higher interest rates, we must be mindful that current monetary policies have only returned to more 'normalised' levels from what we have experienced post the GFC, a period where central banks manipulated markets with the sheer volume of bond purchases under their quantitative easing programs.

#### Looking Ahead

The Bank of England (BOE) left rates on hold at 5.25% in September following 14 successive hikes, the most aggressive hiking cycle in more than three decades. Central bank governor Andrew Bailey signalled that this was a pause, leaving the door open to further hikes should inflation not fall as expected. It was a tough call on whether they would or would not raise rates following the release of August's inflation report the previous day which confirmed an unexpected slowdown to the lowest level in 18 months. In addition, lacklustre growth in the economy, contracting business activity together with a slight softening in the employment market provided additional ammunition to pause the hiking cycle as it becomes increasingly evident that higher interest rates are starting to take effect.

The focus now is shifting from the peak in rates to the length of time rates are held at restrictive levels. Andrew Bailey commented that interest rates will be "sufficiently restrictive for sufficiently long", therefore the mantra for now remains one of 'higher rates for longer'. There is no doubt that the BOE remains in a difficult predicament, economic growth is uninspiring and being revised lower at a time when inflation, currently 6.7% (at September), is running at three times the target rate. This stubborn inflation is the BOE's priority even if the cost is a period of negative growth and as such, we would not be surprised if one more rate hike is sanctioned in the months ahead and do not expect any rate cuts until the second quarter of next year at the earliest.

Above target inflation and higher for longer interest rates are likely to keep UK government bond yields elevated, at least over the short-term. However, bond markets are discounting mechanisms and many of these factors have already been priced in and should ensure that longer-dated yields are close to their peak, allowing a good opportunity to extend durations and lock into these attractive yields for the longer-term. This is a process we have been implementing in the Fund over recent months and one that we believe will reward investors over the medium to long-term. The duration of the Fund is now broadly in line with the benchmark (neutral) and we may increase to overweight in the coming months if more evidence presents itself that the BOE are transitioning to a more dovish monetary policy outlook.



# Melville Douglas Income Fund Limited

## Investment Manager's Report (continued)

For the year ended 30 September 2023

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

#### Fund Review

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

- The Fund's performance for the third quarter was + 1.08% (X Class) versus the Fund's benchmark return of + 1.34%
- The Fund's performance for the 12 months to 30th September was + 3.88% (X class) versus the Fund's benchmark return of + 4.75%

#### Market Overview

A combination of falling, but still elevated inflation together with strong employment markets in developed economies has forced central banks to remain focused on the necessary action required to bring inflation back down to target levels, with persistent warnings that restrictive monetary policy will remain in place for longer than originally anticipated, something we have communicated in previous updates. Bond markets have adjusted for this outlook in the period under review with yields on 10-year sovereign US and UK bonds re-testing levels last seen prior to the global financial crisis (GFC) in 2008. Whilst concerns continue to be raised over the negative implications of higher interest rates, we must be mindful that current monetary policies have only returned to more 'normalised' levels from what we have experienced post the GFC, a period where central banks manipulated markets with the sheer volume of bond purchases under their quantitative easing programs.

#### Looking Ahead

The US Federal Reserve (Fed) kept interest rates on hold in September, but the accompanying 'hawkish' undertone was clearly noted by the bond market which sold off further despite no move in rates. Monetary policy concerns have shifted from 'how high' to 'how long' and news that the Fed's interest rate projections out to 2026 had shifted higher asserted the growing view that interest rates are going to remain in restrictive territory for longer. The latest 'dot plot' now assumes only two rate cuts next year which fits with the 'soft landing' narrative. Indeed, the Fed's conviction for this outcome appears to be climbing with more positive revisions to both growth and employment next year. The determining factor for this monetary policy outlook remains inflation and we believe it should continue to trend lower but a return to central bank target levels will likely take longer than originally forecast.

Resilient economic growth, above target inflation and higher for longer interest rates are likely to keep US government bond yields elevated, at least over the short-term. However, bond markets are discounting mechanisms and many of these factors have already been priced in and should ensure that short-dated yields are at or close to the peak in the current cycle. The rise in yields over the reporting period has provided opportunities to slightly extend the duration in the Fund, currently one-year, with trading activity predominantly in one and two-year US Treasuries. We will continue this theme in the months ahead taking advantage of any short-term weakness in the market.

**Melville Douglas Investment Management (Proprietary) Limited**  
**Investment Manager**  
**22 November 2023**



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

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

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### **Opinion**

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

- give a true and fair view of the financial position of the company and class funds as at 30 September 2023 and of their results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

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

- the Statements of Financial Position as at 30 September 2023;
- the Statements of Comprehensive Income for the year then ended;
- the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares for the year then ended;
- the Portfolio Statement for each of the class funds as at 30 September 2023; and
- the notes to the financial statements for the company and for each of its class funds, which include a description of the significant accounting policies.

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### **Basis for opinion**

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

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

### **Independence**

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

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

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

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

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

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

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### **Reporting on other information**

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

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

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

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

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## **Other required reporting**

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

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

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

We have no exceptions to report arising from this responsibility.



Patrick Glover  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants  
Dublin, Ireland  
19 January 2024

# Melville Douglas Income Fund Limited

## Statements of Financial Position

As at 30 September 2023

(Comparatives as at 30 September 2022)

		US Dollar Bond Class 30 September 2023 USD	US Dollar Bond Class 30 September 2022 USD	Sterling Bond Class 30 September 2023 GBP	Sterling Bond Class 30 September 2022 GBP
	Notes				
<b>Assets</b>					
Financial assets at fair value through profit or loss	2(b), 7.4	148,936,402	84,048,611	26,845,810	20,274,253
Cash and cash equivalents	2(c)	1,709,916	3,477,529	483,747	1,175,643
Receivable for shares sold	2(f)	650,000	211,500	125,000	90,000
Income receivable	2(d)	639,325	382,702	120,636	96,173
<b>Total assets</b>		<b>151,935,643</b>	<b>88,120,342</b>	<b>27,575,193</b>	<b>21,636,069</b>
<b>Liabilities</b>					
Payable for shares redeemed	2(f)	—	84,053	—	—
Management fees payable	2(g)	36,848	30,691	5,237	5,083
Custodian fees payable	2(g)	2,825	2,247	788	638
Sub-Custodian fees payable	2(g)	1,218	910	391	369
Director fees payable	2(g)	5,835	4,575	1,093	1,095
Audit fees payable	2(g)	8,564	6,916	1,925	1,676
Other payables		6,554	3,276	1,176	826
<b>Total liabilities</b>		<b>61,844</b>	<b>132,668</b>	<b>10,610</b>	<b>9,687</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>151,873,799</b>	<b>87,987,674</b>	<b>27,564,583</b>	<b>21,626,382</b>
<b>Net asset value per share</b>					
Class A Shares		158.96	159.57	106.01	103.40
Class B Shares		9.68	9.72	8.66	8.45
Class C Shares		8.91	8.92	—	—
Class X Shares		10.09	10.05	9.31	9.01

The notes on pages 17 to 32 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Financial Position (continued)

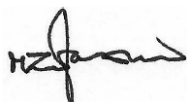
As at 30 September 2023

(Comparatives as at 30 September 2022)

		US Dollar Enhanced Income Class 30 September 2023 USD	US Dollar Enhanced Income Class 30 September 2022 USD	Total 30 September 2023 USD	Total 30 September 2022 USD
	Notes				
<b>Assets</b>					
Financial assets at fair value through profit or loss	2(b), 7.4	55,076,516	54,402,598	236,779,572	161,083,358
Cash and cash equivalents	2(c)	351,489	2,267,580	2,651,842	7,057,479
Receivable for shares sold	2(f)	—	31,952	802,569	343,919
Income receivable	2(d)	291,100	222,130	1,077,667	712,190
<b>Total assets</b>		<b>55,719,105</b>	<b>56,924,260</b>	<b>241,311,650</b>	<b>169,196,946</b>
<b>Liabilities</b>					
Payable for shares redeemed	2(f)	648,459	—	648,459	84,053
Management fees payable	2(g)	6,854	7,018	50,094	43,383
Custodian fees payable	2(g)	1,514	1,581	5,301	4,540
Sub-Custodian fees payable	2(g)	522	381	2,217	1,703
Director fees payable	2(g)	2,080	3,454	9,249	9,252
Audit fees payable	2(g)	3,857	5,513	14,771	14,300
Other payables		2,345	2,160	10,334	6,358
<b>Total liabilities</b>		<b>665,631</b>	<b>20,107</b>	<b>740,425</b>	<b>163,589</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>55,053,474</b>	<b>56,904,153</b>	<b>240,571,225</b>	<b>169,033,357</b>
<b>Net asset value per share</b>					
Class B Shares*		10.05	—	—	—
Class C Shares*		10.06	—	—	—
Class X Shares		10.51	10.11	—	—

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

The financial statements were approved by the Board on 15 January 2024 and signed on its behalf by.



Director

The notes on pages 17 to 32 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Comprehensive Income

For the year 1 October 2022 to 30 September 2023

(Comparatives are for the year 01 October 2021 to 30 September 2022)

		US Dollar Bond Class 30 September 2023 USD	US Dollar Bond Class 30 September 2022 USD	Sterling Bond Class 30 September 2023 GBP	Sterling Bond Class 30 September 2022 GBP
	Notes				
<b>Income</b>					
Dividend income	2(d)	979,753	339,795	209,707	92,851
Interest income	2(d)	2,769,506	1,154,406	456,321	134,844
Deposit interest	2(d)	51,461	3,394	5,680	279
Net (loss)/gain on financial assets at fair value through profit or loss	2(h), 3	(4,179,310)	(9,082,760)	28,765	(2,986,504)
<b>Total net (loss)/gain</b>		<b>(378,590)</b>	<b>(7,585,165)</b>	<b>700,473</b>	<b>(2,758,530)</b>
<b>Expenses</b>					
Management fees	2(g)	417,370	382,277	69,660	59,216
Custodian fees	2(g)	32,402	24,519	9,974	6,675
Sub-Custodian fees	2(g)	13,802	8,778	4,613	3,260
Directors' fees	2(g)	21,122	17,657	4,841	4,279
Audit fees	2(g)	8,564	6,916	1,925	1,676
Sundry expenses		20,969	12,552	4,553	3,099
<b>Total operating expenses</b>		<b>514,229</b>	<b>452,699</b>	<b>95,566</b>	<b>78,205</b>
<b>Net (expense)/income before finance costs</b>		<b>(892,819)</b>	<b>(8,037,864)</b>	<b>604,907</b>	<b>(2,836,735)</b>
<b>Finance Costs:</b>					
Bank interest	2(d)	—	—	(33)	(1,148)
<b>Total Finance Costs</b>		<b>—</b>	<b>—</b>	<b>(33)</b>	<b>(1,148)</b>
Taxation	2(i), 4	(65,843)	(55,198)	7,532	(2,696)
<b>(Decrease)/Increase in net assets attributable to holders of redeemable shares from operations</b>		<b>(958,662)</b>	<b>(8,093,062)</b>	<b>612,406</b>	<b>(2,840,579)</b>

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

The notes on pages 17 to 32 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Statements of Comprehensive Income (continued)

For the year 1 October 2022 to 30 September 2023

(Comparatives are for the year 01 October 2021 to 30 September 2022)

		US Dollar Enhanced Income Class 30 September 2023 USD	US Dollar Enhanced Income Class 30 September 2022 USD	Total 30 September 2023 USD	Total 30 September 2022 USD
	Notes				
<b>Income</b>					
Dividend income	2(d)	119,851	86,386	1,356,461	544,671
Interest income	2(d)	1,538,460	423,911	4,866,886	1,750,396
Deposit interest	2(d)	14,152	2,998	72,570	6,748
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 3	513,460	(1,401,780)	(3,630,618)	(14,295,707)
<b>Total net gain/(loss)</b>		<b>2,185,923</b>	<b>(888,485)</b>	<b>2,665,299</b>	<b>(11,993,892)</b>
<b>Expenses</b>					
Management fees	2(g)	80,874	88,319	583,566	546,163
Custodian fees	2(g)	18,416	19,721	63,035	52,758
Sub-Custodian fees	2(g)	8,384	7,391	27,836	20,329
Directors' fees	2(g)	9,879	14,067	36,930	37,185
Audit fees	2(g)	3,857	5,513	14,779	14,568
Sundry expenses		8,854	9,533	35,400	26,040
<b>Total operating expenses</b>		<b>130,264</b>	<b>144,544</b>	<b>761,546</b>	<b>697,043</b>
<b>Net income/(expense) before finance costs</b>		<b>2,055,659</b>	<b>(1,033,029)</b>	<b>1,903,753</b>	<b>(12,690,935)</b>
<b>Finance Costs:</b>					
Bank interest	2(d)	—	—	(41)	(1,465)
<b>Total Finance Costs</b>		<b>—</b>	<b>—</b>	<b>(41)</b>	<b>(1,465)</b>
Taxation	2(i), 4	(15,810)	(15,733)	(72,427)	(74,372)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations</b>		<b>2,039,849</b>	<b>(1,048,762)</b>	<b>1,831,285</b>	<b>(12,766,772)</b>

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

The notes on pages 17 to 32 form an integral part of these financial statements.



# Melville Douglas Income Fund Limited

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

For the year 1 October 2022 to 30 September 2023

(Comparatives are for the year 01 October 2021 to 30 September 2022)

		US Dollar Bond Class 30 September 2023 USD	US Dollar Bond Class 30 September 2022 USD	Sterling Bond Class 30 September 2023 GBP	Sterling Bond Class 30 September 2022 GBP
	Notes				
Net assets attributable to holders of redeemable shares at the beginning of the year		87,987,674	75,314,214	21,626,382	17,285,879
Proceeds from the issue of shares	5	86,108,786	28,327,350	11,167,404	7,970,350
Payments on the redemption of shares	5	(21,263,999)	(7,560,828)	(5,841,609)	(789,268)
<b>(Decrease)/Increase in net assets attributable to holders of redeemable shares from investment activities</b>		<b><u>(958,662)</u></b>	<b><u>(8,093,062)</u></b>	<b><u>612,406</u></b>	<b><u>(2,840,579)</u></b>
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>		<b><u>151,873,799</u></b>	<b><u>87,987,674</u></b>	<b><u>27,564,583</u></b>	<b><u>21,626,382</u></b>

The notes on pages 17 to 32 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

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

For the year 1 October 2022 to 30 September 2023

(Comparatives are for the 01 October 2021 to 30 September 2022)

		US Dollar Enhanced Income Class 30 September 2023 USD	US Dollar Enhanced Income Class 30 September 2022 USD	Total 30 September 2023 USD	Total 30 September 2022 USD
	Notes				
Net assets attributable to holders of redeemable shares at the beginning of the year		56,904,153	61,319,127	169,033,357	159,940,756
Proceeds from the issue of shares	5	14,291,777	5,835,335	114,078,826	44,333,889
Payments on the redemption of shares	5	(18,182,305)	(9,201,547)	(46,601,330)	(17,769,584)
Translation Adjustment*		—	—	2,229,087	(4,704,932)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from investment activities</b>		<b><u>2,039,849</u></b>	<b><u>(1,048,762)</u></b>	<b><u>1,831,285</u></b>	<b><u>(12,766,772)</u></b>
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>		<b><u>55,053,474</u></b>	<b><u>56,904,153</u></b>	<b><u>240,571,225</u></b>	<b><u>169,033,357</u></b>

\*The translation adjustment arises from the translation of opening net assets translated at financial year end 30 September 2022 rates, from the Statement of Comprehensive Income being translated at average rates with the closing assets and liabilities translated at the rates of exchange ruling at 30 September 2023.

The notes on pages 17 to 32 form an integral part of these financial statements.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements

### 1. Incorporation

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

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

### 2. Accounting Policies

#### a. *Basis of Accounting*

These audited annual financial statements for the year ended 30 September 2023 have been prepared in accordance with FRS 102 as issued by the Financial Reporting Council ("FRC").

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

The information required by FRS 102, to be included in a single statement for the reporting period displaying all items of income and expenses recognised during the period including those items recognised in determining profit or loss and items of other comprehensive income and a Reconciliation of Movements in Shareholders' Funds is, in the opinion of the directors, contained in the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares on pages 14 and 16. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on pages 13 and 14 relate to continuing activities.

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

#### b. *Investments*

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

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

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

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 2. Accounting Policies (continued)

c. *Cash and cash equivalents*

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

d. *Income*

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

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

e. *Foreign currencies*

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

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

f. *Share issues and redemptions*

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

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

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

g. *Expenses*

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

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

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

i. *Withholding taxes*

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

j. *Distribution policy*

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

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

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

	US Dollar Bond Class 30 September 2023 USD	US Dollar Bond Class 30 September 2022 USD	Sterling Bond Class 30 September 2023 GBP	Sterling Bond Class 30 September 2022 GBP	US Dollar Enhanced Income Class 30 September 2023 USD	US Dollar Enhanced Income Class 30 September 2022 USD	Total 30 September 2023 USD	Total 30 September 2022 USD
Non-derivative securities:								
Net realised (loss)/gain on investments	(180,334)	21,188	(682,032)	6,255	(89,310)	4,802	(1,105,023)	33,972
Net movement in unrealised investment schemes	(3,998,976)	(9,103,948)	710,619	(2,992,849)	602,770	(1,406,582)	(2,525,813)	(14,329,794)
	<u>(4,179,310)</u>	<u>(9,082,760)</u>	<u>28,587</u>	<u>(2,986,594)</u>	<u>513,460</u>	<u>(1,401,780)</u>	<u>(3,630,836)</u>	<u>(14,295,822)</u>
Derivative securities:								
Net movement in unrealised foreign currency	—	—	178	90	—	—	218	115
	<u>—</u>	<u>—</u>	<u>178</u>	<u>90</u>	<u>—</u>	<u>—</u>	<u>218</u>	<u>115</u>
<b>Net (loss)/gain on financial assets at fair value through profit or loss</b>	<b><u>(4,179,310)</u></b>	<b><u>(9,082,760)</u></b>	<b><u>28,765</u></b>	<b><u>(2,986,504)</u></b>	<b><u>513,460</u></b>	<b><u>(1,401,780)</u></b>	<b><u>(3,630,618)</u></b>	<b><u>(14,295,707)</u></b>

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 4. Taxation

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

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

	30 September 2023 USD	30 September 2022 USD
<b>US Dollar Bond Class*</b>		
Overseas tax - withholding tax on dividend income	65,843	55,198
	30 September 2023 GBP	30 September 2022 GBP
<b>Sterling Bond Class*</b>		
Overseas tax - withholding tax on dividend income	(7,532)	2,696
	30 September 2023 USD	30 September 2022 USD
<b>US Dollar Enhanced Income Class</b>		
Overseas tax - withholding tax on dividend income	15,810	15,733
	30 September 2023	30 September 2022
<b>Total MD Income Funds</b>		
Overseas tax - withholding tax on dividend income	72,427	74,372

### 5. Share capital

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

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

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

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 5. Share capital (continued)

#### Management shares

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

	30 September 2023	30 September 2022
	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 year ended 30 September 2023.

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

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

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

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



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

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

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

On amounts less than USD50 million 0.035%

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

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

On amounts over USD500 million 0.005%

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

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

Michael Farrow is entitled to receive up to GBP20,000 per annum from the Company as director fees. Graham Baillie, Oliver Sonnbichler and Robert Stewart are entitled to receive up to USD10,000 per director per annum from the Company.

For the US Dollar Bond Class directors fees incurred during the year ended 30 September 2023 amounted to USD21,122 (30 September 2022: USD17,657) with USD5,835 (30 September 2022: USD4,575) outstanding at the year end.

For the Sterling Bond Class directors fees incurred during the year ended 30 September 2023 amounted to GBP4,841 (30 September 2022: GBP4,279) with GBP1,093 (30 September 2022: GBP1,095) outstanding at the year end.

For the US Dollar Enhanced Income Class directors fees incurred during the year ended 30 September 2023 amounted to USD9,879 (30 September 2022: USD14,067) with USD2,080 (30 September 2022: USD3,454) outstanding at the year end.

The fees incurred during the year ended 30 September 2023 and 30 September 2022 are as disclosed in the Statements of Comprehensive Income with the amounts outstanding at the year 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 year end; all other variables remaining constant (5% is considered to be a reasonable possible change in price):

		30 September 2023	30 September 2022
US Dollar Bond Class	USD	7,446,820	4,202,431
Sterling Bond Class	GBP	1,342,291	1,013,713
US Dollar Enhanced Income Class	USD	2,753,826	2,720,130

##### Interest rate risk

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

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

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

The breakdown of the Class Funds' assets as at 30 September 2023 and 30 September 2022 is detailed in Note 7.4 Fair Value Hierarchy.

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Interest rate risk (continued)

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

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

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

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

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

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

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

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Interest rate risk (continued)

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

#### US Dollar Bond Class 30 September 2023

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

#### US Dollar Bond Class 30 September 2022

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

#### Sterling Bond Class 30 September 2023

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

#### Sterling Bond Class 30 September 2022

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

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Interest rate risk (continued)

##### US Dollar Enhanced Income Class 30 September 2023

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

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

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

##### Total 30 September 2023

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

##### Total 30 September 2022

	Fixed rate financial assets	Floating rate financial assets	Net assets not carrying interest	Total
USD	134,569,112	3,990,816	30,473,429	169,033,357
	<u>134,569,112</u>	<u>3,990,816</u>	<u>30,473,429</u>	<u>169,033,357</u>

#### Interest rate sensitivity

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

Class Fund		30 September 2023	30 September 2022
US Dollar Bond Class	USD	519,350	693,149
Sterling Bond Class	GBP	215,478	160,650
US Dollar Enhanced Income Class	USD	1,203,997	513,117

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.1. Market risk (continued)

##### Currency risk

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

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

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

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

##### US Dollar Bond Class

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

##### US Dollar Bond Class

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

##### Sterling Bond Class

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

##### Sterling Bond Class

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

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

##### US Dollar Enhanced Income Class

Exposure currency 30 September 2022	Investments USD	Cash USD	Other net assets USD	Total net assets USD	% of net assets
USD	54,402,598	2,267,580	233,975	56,904,153	100.00
	<u>54,402,598</u>	<u>2,267,580</u>	<u>233,975</u>	<u>56,904,153</u>	<u>100.00</u>

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

The following sensitivity analysis shows the change in the net assets of a Class Fund given a 5% increase or decrease in the value of a foreign currency relative to the Class Funds' reporting currency for all significant foreign currency positions of the Class Fund (5% is considered to be a reasonable possible change in foreign currency rates). US Dollar Bond Class and US Dollar Enhanced Income Class have no foreign currency exposure for the year ended 30 September 2023 and year ended 30 September 2022.

		Change in net assets 30 September 2023 GBP	Change in net assets 30 September 2022 GBP
<b>Sterling Bond Class</b>			
EUR	+/-5%	31,180	28,313
USD	+/-5%	142,618	75,943

#### 7.2. Liquidity risk

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

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

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



# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

#### 7.3. Credit risk

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

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

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

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

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

For the year ended 30 September 2023 the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2022: AA-) with Standard & Poor's, Aa2 (2022: Aa2) with Moody's and AA (2022: AA) with Fitch.

#### 7.4. Fair value hierarchy

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

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

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

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

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

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

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

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.

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

#### 30 September 2023

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

#### 30 September 2022

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

#### 30 September 2023

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

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 7. Financial risk management (continued)

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

##### 30 September 2022

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

##### 30 September 2023

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

##### 30 September 2022

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

There were no movement between levels for the financial period ended 30 September 2023. For all US Dollar Enhanced Income Class, there were no other transfers between Level 1 and Level 2 during the year ended 30 September 2022.

### 8. Exchange rates

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

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

	Year End Exchange Rates		Annual Average Exchange Rates	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
USD/EUR	0.94449	1.02078	0.93673	0.92202
USD/GBP	0.81930	0.89582	0.81534	0.78082

#### Sterling Bond Class

	Year End Exchange Rates		Annual Average Exchange Rates	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
GBP/EUR	1.15280	1.13950	1.14865	1.18019
GBP/USD	1.22055	1.11630	1.22484	1.27613

# Melville Douglas Income Fund Limited

## Notes to the Financial Statements (continued)

### 9. Significant events during the year

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

US Dollar Enhanced Income Class Fund launched Enhanced Income USD Class B and Enhanced Income USD Class C shares on 4 August 2023.

Graham Baillie resigned as a director on 10 August 2023 and Michael Laws was appointed as a director on 11 August 2023.

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

### 10. Post statement of financial position events

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

### 11. Contingent Liabilities

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

### 12. Approval of financial statements

The financial statements were approved by the Directors on 15 January 2024.

# Melville Douglas Income Fund Limited

## Portfolio Statement

### US Dollar Bond Class

As at 30 September 2023

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.07% (30 September 2022: 95.52%)</b>					
<b>Investment Companies 18.79% (30 September 2022: 16.74%)</b>					
<b>Ireland</b>					
iShares USD Corp Bond UCITS ETF	125,390	12,962,818	12,075,684	7.95	NR
iShares USD Short Duration Corp Bond UCITS ETF	116,010	11,682,280	11,153,201	7.34	NR
			23,228,885	15.29	
<b>United States</b>					
iShares iBoxx High Yield Corporate Bond ETF	71,985	5,802,095	5,307,814	3.50	NR
			5,307,814	3.50	
<b>Total Investment Companies</b>			<b>28,536,699</b>	<b>18.79</b>	
<b>Corporate Bonds 17.41% (30 September 2022: 32.88%)</b>					
<b>International</b>					
Asian Development Bank 'GMTN' 0.250% 06/10/2023	750,000	749,416	749,719	0.49	Aaa
European Investment Bank 2.500% 15/10/2024	6,450,000	6,495,756	6,260,338	4.12	Aaa
Inter-American Development Bank 'GMTN' 1.125% 13/01/2031	9,000,000	8,429,271	7,016,353	4.62	Aaa
International Bank for Reconstruction & Development 1.500% 28/08/2024	5,690,000	5,731,986	5,491,322	3.62	Aaa
			19,517,732	12.85	
<b>South Africa</b>					
Standard Bank Group Ltd FRN 5.950% 31/05/2029	1,000,000	1,032,469	981,110	0.65	B1
<b>United States</b>					
Amazon.com Inc 4.700% 01/12/2032	1,900,000	1,942,452	1,818,423	1.20	A1
UnitedHealth Group Inc 2.875% 15/08/2029	1,900,000	1,754,778	1,669,185	1.10	A2
Visa Inc 3.150% 14/12/2025	1,000,000	1,015,737	955,050	0.63	Aa3
Wells Fargo & Co 'MTN' 3.750% 24/01/2024	1,500,000	1,493,910	1,488,889	0.98	A1
			5,931,547	3.91	
<b>Total Corporate Bonds</b>			<b>26,430,389</b>	<b>17.41</b>	

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Bond Class (continued)

As at 30 September 2023 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.07% (30 September 2022: 95.52%) (continued)</b>					
<b>Government Bonds 61.87% (30 September 2022: 45.90%)</b>					
<b>United States</b>					
United States Treasury Note/Bond 2.250% 15/02/2027	10,960,000	10,871,176	10,116,441	6.66	Aaa
United States Treasury Note/Bond 2.875% 31/10/2023	7,710,000	7,695,677	7,694,578	5.07	Aaa
United States Treasury Note/Bond 2.625% 15/02/2029	7,350,000	7,324,064	6,649,610	4.38	Aaa
United States Treasury Note/Bond 1.750% 15/11/2029	26,950,000	25,121,739	22,924,032	15.09	Aaa
United States Treasury Note/Bond 0.250% 15/03/2024	2,200,000	2,176,647	2,150,192	1.41	Aaa
United States Treasury Note/Bond 1.875% 15/02/2032	44,810,000	39,622,073	36,402,345	23.97	Aaa
United States Treasury Note/Bond 3.500% 15/02/2033	8,750,000	8,386,472	8,032,116	5.29	Aaa
			93,969,314	61.87	
<b>Total Government Bonds</b>			<b>93,969,314</b>	<b>61.87</b>	
<b>Total Investments</b>	<b>160,290,816</b>	<b>148,936,402</b>		<b>98.07</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>148,936,402</b>	<b>98.07</b>	
Total Investments			148,936,402	98.07	
Net current assets			2,937,397	1.93	
<b>Total net assets</b>			<b>151,873,799</b>	<b>100.00</b>	

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### Sterling Bond Class

As at 30 September 2023

	Nominal Holding	Cost GBP	Fair Value GBP	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 97.39% (30 September 2022: 93.75%)</b>					
<b>Investment Companies 19.22% (30 September 2022: 19.46%)</b>					
<b>Ireland</b>					
iShares Core GBP Corp Bond UCITS ETF	14,875	1,821,411	1,734,871	6.30	0
iShares EUR High Yield Corp Bond UCITS ETF	3,710	333,046	286,795	1.04	NR
iShares GBP Corp Bond 0-5yr UCITS ETF	25,555	2,665,027	2,470,402	8.96	NR
iShares USD High Yield Corp Bond UCITS ETF	196,120	900,392	805,906	2.92	NR
			5,297,974	19.22	
<b>Total Investment Companies</b>			<b>5,297,974</b>	<b>19.22</b>	
<b>Corporate Bonds 22.58% (30 September 2022: 37.64%)</b>					
<b>Germany</b>					
Kreditanstalt fuer Wiederaufbau 'EMTN' 0.875% 15/09/2026	985,000	977,855	876,680	3.18	Aaa
<b>International</b>					
Inter-American Development Bank 0.500% 15/09/2026	1,745,000	1,751,061	1,532,695	5.56	Aaa
International Bank for Reconstruction & Development 1.000% 21/12/2029	3,200,000	2,956,229	2,574,896	9.34	Aaa
			4,107,591	14.90	
<b>South Africa</b>					
Standard Bank Group Ltd FRN 5.950% 31/05/2029	200,000	160,003	160,765	0.58	B1
<b>United Kingdom</b>					
BAT International Finance Plc 'EMTN' 2.250% 26/06/2028	300,000	268,357	253,432	0.92	Baa2
Experian Finance Plc 'EMTN' 3.250% 07/04/2032	300,000	260,455	252,549	0.92	Baa1
GlaxoSmithKline Capital Plc 'EMTN' 3.375% 20/12/2027	200,000	212,692	188,716	0.68	A2
Unilever Plc 'EMTN' 1.875% 15/09/2029	350,000	309,726	293,722	1.07	A1
			988,419	3.59	



# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### Sterling Bond Class (continued)

As at 30 September 2023 (continued)

	Nominal Holding	Cost GBP	Fair Value GBP	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 97.39% (30 September 2022: 93.75%) (continued)</b>					
<b>Corporate Bonds 22.58% (30 September 2022: 37.64%) (continued)</b>					
<b>United States</b>					
Nestle Holdings Inc 'EMTN' 0.625% 18/12/2025	100,000	99,985	90,743	0.33	Aa3
<b>Total Corporate Bonds</b>			<b>6,224,198</b>	<b>22.58</b>	
<b>Government Bonds 55.59% (30 September 2022: 36.65%)</b>					
<b>Germany</b>					
Bundesrepublik Deutschland Bundesanleihe 1.750% 15/02/2024	366,000	312,864	315,246	1.14	Aaa
<b>International</b>					
European Investment Bank 3.875% 15/03/2028	1,200,000	961,295	942,471	3.42	Aaa
<b>United Kingdom</b>					
United Kingdom Gilt 1.625% 22/10/2028	3,920,000	3,773,277	3,455,441	12.54	Aa3
United Kingdom Gilt 0.875% 22/10/2029	3,375,000	3,244,963	2,773,575	10.06	Aa3
United Kingdom Gilt 1.000% 31/01/2032	8,000,000	6,673,226	6,138,240	22.27	Aa3
			12,367,256	44.87	
<b>United States</b>					
United States Treasury Note/Bond 2.875% 30/04/2025	2,150,000	1,614,814	1,698,665	6.16	Aaa
<b>Total Government Bonds</b>			<b>15,323,638</b>	<b>55.59</b>	
<b>Total Investments</b>		<b>29,296,678</b>	<b>26,845,810</b>	<b>97.39</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>26,845,810</b>	<b>97.39</b>	
Total Investments			26,845,810	97.39	
Net current assets			718,773	2.61	
<b>Total net assets</b>			<b>27,564,583</b>	<b>100.00</b>	

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Enhanced Income Class

As at 30 September 2023

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 100.04% (30 September 2022: 95.60%)</b>					
<b>Investment Companies 5.71% (30 September 2022: 5.43%)</b>					
<b>Ireland</b>					
iShares USD Short Duration Corp Bond UCITS ETF	22,085	2,310,711	<u>2,123,252</u> 2,123,252	<u>3.86</u> 3.86	<b>NR</b>
<b>United States</b>					
iShares iBoxx High Yield Corporate Bond ETF	13,810	1,151,634	<u>1,018,280</u> 1,018,280	<u>1.85</u> 1.85	<b>NR</b>
<b>Total Investment Companies</b>			<b>3,141,532</b>	<b>5.71</b>	
<b>Corporate Bonds 47.55% (30 September 2022: 51.66%)</b>					
<b>Cayman Islands</b>					
Alibaba Group Holding Ltd 3.600% 28/11/2024	1,500,000	1,463,164	1,462,005	2.66	<b>A1</b>
Tencent Holdings Ltd 'REGS' 3.800% 11/02/2025	1,500,000	1,475,294	<u>1,461,412</u> 2,923,417	<u>2.65</u> 5.31	<b>A1</b>
<b>Germany</b>					
Kreditanstalt fuer Wiederaufbau 2.625% 28/02/2024	2,550,000	2,573,531	2,522,382	4.58	<b>Aaa</b>
Kreditanstalt fuer Wiederaufbau 0.250% 19/10/2023	750,000	748,222	748,246	1.36	<b>Aaa</b>
Kreditanstalt fuer Wiederaufbau 1.250% 31/01/2025	1,120,000	1,072,723	<u>1,060,557</u> 4,331,185	<u>1.93</u> 7.87	<b>Aaa</b>
<b>International</b>					
Asian Development Bank 'GMTN' 4.125% 27/09/2024	3,000,000	2,980,523	2,960,204	5.38	<b>Aaa</b>
European Investment Bank 2.250% 24/06/2024	2,500,000	2,529,908	2,442,961	4.44	<b>Aaa</b>
European Investment Bank 3.250% 29/01/2024	1,000,000	1,008,302	993,010	1.80	<b>Aaa</b>
Inter-American Development Bank 0.625% 15/07/2025	3,425,000	3,167,510	3,164,160	5.75	<b>Aaa</b>
Inter-American Development Bank 0.250% 15/11/2023	1,300,000	1,292,844	1,292,635	2.35	<b>Aaa</b>
Inter-American Development Bank 3.250% 01/07/2024	750,000	738,378	737,503	1.34	<b>Aaa</b>

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Enhanced Income Class (continued)

As at 30 September 2023 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 100.04% (30 September 2022: 95.60%) (continued)</b>					
<b>Corporate Bonds 47.55% (30 September 2022: 51.66%) (continued)</b>					
<b>International (continued)</b>					
International Bank for Reconstruction & Development 1.500% 28/08/2024	1,300,000	1,312,612	1,254,608	2.28	Aaa
International Bank for Reconstruction & Development 0.250% 24/11/2023	2,000,000	1,995,067	1,985,661	3.60	Aaa
			14,830,742	26.94	
<b>Mauritius</b>					
MTN Mauritius Investments Ltd 'REGS' 4.755% 11/11/2024	1,000,000	980,210	976,250	1.77	Ba2
<b>South Africa</b>					
Standard Bank Group Ltd FRN 5.950% 31/05/2029	900,000	928,139	882,999	1.60	B1
<b>United States</b>					
UnitedHealth Group Inc 2.375% 15/08/2024	1,025,000	1,002,940	995,769	1.81	A2
Wells Fargo & Co 'MTN' 3.750% 24/01/2024	1,250,000	1,244,835	1,240,741	2.25	A1
			2,236,510	4.06	
<b>Total Corporate Bonds</b>			<b>26,181,103</b>	<b>47.55</b>	
<b>Government Bonds 46.78% (30 September 2022: 38.51%)</b>					
<b>Netherlands</b>					
BNG Bank NV 'REGS' 2.625% 27/02/2024	300,000	302,702	296,327	0.54	Aaa
<b>United States</b>					
United States Treasury Note/Bond 2.125% 30/11/2023	2,000,000	1,992,118	1,989,501	3.61	Aaa
United States Treasury Note/Bond 2.000% 30/06/2024	3,400,000	3,318,034	3,314,126	6.02	Aaa
United States Treasury Note/Bond 2.125% 31/07/2024	5,500,000	5,354,323	5,350,900	9.72	Aaa
United States Treasury Note/Bond 2.875% 30/04/2025	5,500,000	5,344,375	5,303,806	9.63	Aaa
United States Treasury Note/Bond 1.375% 31/01/2025	1,500,000	1,441,961	1,424,200	2.59	Aaa
United States Treasury Note/Bond 1.125% 15/01/2025	1,000,000	951,545	947,901	1.72	Aaa

# Melville Douglas Income Fund Limited

## Portfolio Statement (continued)

### US Dollar Enhanced Income Class (continued)

As at 30 September 2023 (continued)

	Nominal Holding	Cost USD	Fair Value USD	% of Net Assets	Credit Rating
<b>Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 100.04% (30 September 2022: 95.60%) (continued)</b>					
<b>Government Bonds 46.78% (30 September 2022: 38.51%) (continued)</b>					
<b>United States (continued)</b>					
United States Treasury Note/Bond 2.500% 31/05/2024	5,300,000	5,217,726	5,197,487	9.44	Aaa
United States Treasury Note/Bond 3.125% 15/08/2025	2,000,000	1,934,657	1,929,633	3.51	Aaa
			25,457,554	46.24	
<b>Total Government Bonds</b>			<b>25,753,881</b>	<b>46.78</b>	
<b>Total Investments</b>		<b>55,833,988</b>	<b>55,076,516</b>	<b>100.04</b>	
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>55,076,516</b>	<b>100.04</b>	
 Total Investments			55,076,516	100.04	
Net current assets			(23,042)	-0.04	
<b>Total net assets</b>			<b>55,053,474</b>	<b>100.00</b>	

# Melville Douglas Income Fund Limited

## Fund Statistics (Unaudited)

US Dollar Bond Class	Net asset value	Net asset value per share	% change in year**	Number of shares in issue	Highest* price	Lowest* price
<b>Class A Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
30 September 2013	53,445,275	162.17	0.04	329,555	162.46	161.25
30 September 2014	45,496,949	162.32	0.09	280,287	163.05	161.83
30 September 2015	42,502,879	163.53	0.75	259,915	163.83	162.30
30 September 2016	60,525,172	165.53	1.22	365,634	165.79	162.95
30 September 2017	56,088,297	165.20	(0.20)	339,521	166.54	163.13
30 September 2018	48,438,116	162.82	(1.44)	297,488	165.41	161.64
30 September 2019	44,264,784	172.14	5.72	257,144	173.30	162.23
30 September 2020	39,693,089	180.10	4.62	220,400	180.79	171.27
30 September 2021	33,354,382	177.62	(1.38)	187,786	180.22	176.74
30 September 2022	27,039,974	159.57	(10.16)	169,459	177.88	158.46
30 September 2023	27,536,570	158.96	(0.38)	173,230	166.04	157.38

US Dollar Bond Class	Net asset value	Net asset value per share	% change in year**	Number of shares in issue	Highest* price	Lowest* price
<b>Class B Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (1 March 2018)	16,698	10.00	-	1,667	-	-
30 September 2018	33,287	10.00	-	3,329	10.05	9.94
30 September 2019	100,177	10.54	5.40	9,505	10.61	9.96
30 September 2020	1,515,654	11.00	4.36	137,826	11.04	10.48
30 September 2021	2,963,379	10.83	(1.55)	273,505	11.00	10.79
30 September 2022	2,147,078	9.72	(10.25)	220,805	10.85	9.66
30 September 2023	1,147,068	9.68	(0.41)	118,533	10.11	9.59

US Dollar Bond Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* price
<b>Class C Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (2 June 2020)	2,809	10.00	-	281	-	-
30 September 2020	149,428	10.03	0.40	14,905	10.06	9.96
30 September 2021	3,182	9.91	(1.20)	321	10.04	9.85
30 September 2022	10,337	8.92	(9.99)	1,159	9.92	8.86
30 September 2023	10,042	8.91	(0.11)	1,128	9.29	8.80

US Dollar Bond Class	Net asset value	Net asset value per Share	% change in year	Number of shares in issue	Highest* price	Lowest* Price
<b>Class X Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (17 October 2017)	19,991	10.00	-	2,000	-	-
30 September 2018	2,423,942	9.93	(0.67)	244,024	10.01	9.83
30 September 2019	24,087,477	10.59	6.65	2,275,322	10.65	9.90
30 September 2020	31,255,274	11.16	5.38	2,799,487	11.19	10.54
30 September 2021	38,993,271	11.10	(0.54)	3,513,060	11.19	11.00
30 September 2022	58,790,285	10.05	(9.46)	5,848,883	11.12	9.98
30 September 2023	123,180,119	10.09	0.42	12,203,898	10.51	9.92

# Melville Douglas Income Fund Limited

## Fund Statistics (Unaudited) (continued)

<b>Sterling Bond Class</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in year</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* Price</b>
<b>Class A Shares</b>	<b>GBP</b>	<b>GBP</b>			<b>GBP</b>	<b>GBP</b>
30 September 2013	5,590,371	115.88	(1.39)	48,241	117.60	115.86
30 September 2014	4,379,848	115.56	(0.28)	37,901	116.09	114.48
30 September 2015	3,380,232	116.09	0.46	29,118	117.86	115.78
30 September 2016	4,423,035	120.59	3.88	36,678	120.87	115.83
30 September 2017	3,981,347	119.01	(1.31)	33,453	121.01	118.94
30 September 2018	3,961,270	117.91	(0.92)	33,597	119.55	116.70
30 September 2019	4,357,568	121.53	3.07	35,855	121.98	117.35
30 September 2020	5,411,332	122.13	0.49	44,308	122.79	119.42
30 September 2021	3,853,915	119.28	(2.33)	32,309	122.65	119.28
30 September 2022	3,175,825	103.40	(13.42)	30,713	119.91	102.66
30 September 2023	2,715,230	106.01	2.52	25,614	110.10	102.47

<b>Sterling Bond Class</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in year</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</b>
<b>Class B Shares</b>	<b>GBP</b>	<b>GBP</b>			<b>GBP</b>	<b>GBP</b>
At launch (12 May 2020)	42,955	10.0	-	4,292	-	-
30 September 2020	109,404	10.00	-	10,935	10.06	9.97
30 September 2021	303,356	9.76	(2.40)	31,076	10.04	9.76
30 September 2022	225,957	8.45	(13.39)	26,729	9.81	8.39
30 September 2023	231,414	8.66	2.42	26,729	9.00	8.37

<b>Sterling Bond Class</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in year</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* price</b>
<b>Class C Shares**</b>	<b>GBP</b>	<b>GBP</b>			<b>GBP</b>	<b>GBP</b>
At launch (14 September 2020)	81,887	10.00	-	8,194	-	-
30 September 2020	81,682	9.97	(0.20)	8,194	10.00	9.97
At redemption (2 September 2021)	80,669	9.84	(1.30)	8,194	10.01	9.76

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

# Melville Douglas Income Fund Limited

## Fund Statistics (Unaudited) (continued)

US Dollar Enhanced Income Class	Net asset value	Net asset value per share	% change in year	Number of shares in issue	Highest* price	Lowest* Price
<b>Class B Shares***</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (4 August 2023)	138,493	10.00	-	13,849	-	-
30 September 2023	139,232	10.05	0.50	13,849	10.05	10.01
<b>US Dollar Enhanced Income Class</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in year</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* Price</b>
<b>Class C Shares***</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (4 August 2023)	138,493	10.00	-	13,849	-	-
30 September 2023	139,275	10.06	0.60	13,849	10.06	10.01
<b>US Dollar Enhanced Income Class</b>	<b>Net asset value</b>	<b>Net asset value per share</b>	<b>% change in year</b>	<b>Number of shares in issue</b>	<b>Highest* price</b>	<b>Lowest* Price</b>
<b>Class X Shares</b>	<b>USD</b>	<b>USD</b>			<b>USD</b>	<b>USD</b>
At launch (14 March 2019)	30,286,472	10.00	-	3,028,647	-	-
30 September 2019	35,482,312	10.13	1.30	3,503,203	10.13	9.99
30 September 2020	52,881,286	10.26	1.28	5,152,593	10.27	10.13
30 September 2021	61,319,127	10.30	0.39	5,956,135	10.30	10.26
30 September 2022	56,904,153	10.11	(1.84)	5,626,238	10.29	10.10
30 September 2023	54,774,967	10.51	3.88	5,213,289	10.51	10.11

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

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

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

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

# Melville Douglas Income Fund Limited

## Other Information (Unaudited)

### Total Expense Ratios (Unaudited)

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

	30 September 2023	30 September 2022
US Dollar Bond Class - Class A Shares	1.03 %	1.04 %
US Dollar Bond Class - Class B Shares	1.13 %	1.14 %
US Dollar Bond Class - Class C Shares	0.83 %	0.84 %
US Dollar Bond Class - Class X Shares	0.23 %	0.24 %
Sterling Bond Class - Class A Shares	1.04 %	1.05 %
Sterling Bond Class - Class B Shares	1.14 %	1.15 %
Sterling Bond Class - Class X Shares	0.24 %	0.25 %
US Dollar Enhanced Income Class - Class B Shares*	1.04 %	-
US Dollar Enhanced Income Class - Class C Shares*	0.84 %	-
US Dollar Enhanced Income Class - Class X Shares	0.24 %	0.25 %

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

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

US Dollar Bond Class	30 September 2023 USD	30 September 2022 USD
Gross purchases in year including transaction costs	101,211,658	29,431,060
Commissions	(300)	(1,200)
Net purchases total	<u>101,211,358</u>	<u>29,429,860</u>
Gross sales in year including transaction costs	32,705,891	9,527,453
Commissions	—	(250)
Net sales total	<u>32,705,891</u>	<u>9,527,203</u>
 Sterling Bond Class	 30 September 2023 GBP	 30 September 2022 GBP
Gross purchases in year including transaction costs	17,504,688	9,203,401
Commissions	(244)	(1,188)
Net purchases total	<u>17,504,444</u>	<u>9,202,213</u>
Gross sales in year including transaction costs	11,133,319	2,540,739
Commissions	—	(165)
Net sales total	<u>11,133,319</u>	<u>2,540,574</u>



# Melville Douglas Income Fund Limited

## Other Information (Unaudited) (continued)

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

	30 September 2023 USD	30 September 2022 USD
<b>US Dollar Enhanced Income Class</b>		
Gross purchases in year including transaction costs	47,419,434	60,838,541
Commissions	(200)	(2,250)
Net purchases total	<u>47,419,234</u>	<u>60,836,291</u>
Gross sales in year including transaction costs	47,759,515	64,944,355
Commissions	(200)	(50)
Net sales total	<u>47,759,315</u>	<u>64,944,305</u>

# Melville Douglas Income Fund Limited

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN pursuant to the Articles of Association of Melville Douglas Income Fund Limited (the "Company") that the Annual General Meeting of the Company will take place on 2 February 2024 at Standard Bank House, 47-49 La Motte Street, St. Helier, Jersey, Channel Islands at 2.30 p.m for the purpose of considering and, if thought fit, passing the following Resolutions:

### Ordinary resolution

1. To receive and adopt the audited financial statements for the year ended 30 September 2023 together with the reports of the Directors and Independent Auditor thereon.
2. To re-elect Mr Michael Laws, Mr Michael Farrow, Mr Oliver Sonnbichler and Mr Robert Stewart as Directors of the Company.
3. To fix the remuneration of the Directors at up to £23,000 (Chair) and \$10,000 (other Directors) per year for the forthcoming year.
4. To re-appoint PricewaterhouseCoopers, Ireland as auditors of the Company and authorise the directors to agree the auditors' remuneration.



**By order of the board**  
**STANLIB Fund Managers Jersey Limited**  
**Secretary**  
**15 January 2024**

### Notes

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

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

Melville Douglas Income Fund Limited (the “Company”)

Form of Proxy

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

Complete only if being a holder(s) of.....Participating shares in the capital of the Company  
Special proxy hereby appoint the Chairman of the Meeting or failing him:  
desired. (See Note a. below)

Resolutions Ordinary Resolution No 1 For/Against\*  
\*Strike out whatever No 2 For/Against\*  
is not desired No 3 For/Against\*  
No 4 For/Against\*

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signature \_\_\_\_\_

- a. If you desire to appoint a proxy other than indicated above, please delete the appropriate words and insert the name and address of your proxy

c. To be valid, the proxy must be lodged with the secretary of the Company 48 hours prior to the time of the meeting
- b. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit in relation to the resolutions referred to above

d. A corporation should complete this form under its common seal or under the hand of a duly authorised officer or attorney