



Melville Douglas Income Fund Limited
Unaudited Interim Report and Financial Statements
For the period 1 October 2023 to 31 March 2024

Melville Douglas Income Fund Limited

Unaudited Interim Report and Financial Statements

For the period 1 October 2023 to 31 March 2024

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Melville Douglas Income Fund Limited

Administration

Directors

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

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 unaudited interim report and financial statements for the period 1 October 2023 to 31 March 2024.

Incorporation

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

Structure

The Company offers investors a choice of classes (each such class being referred to as a "Class Fund") and the opportunity to switch from one Class Fund to another. As at 31 March 2024 there are three Class Funds (the US Dollar Bond Class, the Sterling Bond Class and the US Dollar Enhanced Income Class). A separate Class Fund is established for each class of participating shares and each Class Fund is managed separately and independently.

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

Objective and investment policy

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

Results and dividends

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

Directors

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

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

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

Melville Douglas Income Fund Limited

Report of the Directors (continued)

Registered Office

The registered office is as disclosed on page 2.

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP"), including Financial Reporting Standard ("FRS") 104 "The Interim Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 104").

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

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

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

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

Connected Persons

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

Secretary

The Secretary of the Company during the period ended 31 March 2024 and subsequently was STANLIB Fund Managers Jersey Limited.

By Order of the Board
STANLIB Fund Managers Jersey Limited

Company Secretary
27 June 2024

Melville Douglas Income Fund Limited

Statements of Financial Position

As at 31 March 2024

(Comparatives as at 30 September 2023)

| | Notes | US Dollar Bond Class 31 March 2024 | US Dollar Bond Class 30 September 2023 | Sterling Bond Class 31 March 2024 | Sterling Bond Class 30 September 2023 |
|--|-----------|---|---|--|--|
| | | USD | USD | GBP | GBP |
| Assets | | | | | |
| Financial assets at fair value through profit or loss | 2(b), 7.4 | 170,593,384 | 148,936,402 | 33,767,301 | 26,845,810 |
| Cash and cash equivalents | 2(c) | 1,302,703 | 1,709,916 | 371,673 | 483,747 |
| Receivable for shares sold | 2(f) | 1,057,989 | 650,000 | 80,000 | 125,000 |
| Income receivable | 2(d) | 577,460 | 639,325 | 137,530 | 120,636 |
| Total assets | | 173,531,536 | 151,935,643 | 34,356,504 | 27,575,193 |
| Liabilities | | | | | |
| Payable for shares redeemed | 2(f) | 844,808 | — | 20,000 | — |
| Management fees payable | 2(g) | 36,167 | 36,848 | 5,600 | 5,237 |
| Custodian fees payable | 2(g) | 2,847 | 2,825 | 916 | 788 |
| Sub-Custodian fees payable | 2(g) | 1,260 | 1,218 | 378 | 391 |
| Director fees payable | 2(g) | 5,623 | 5,835 | 1,092 | 1,093 |
| Audit fees payable | 2(g) | 2,618 | 8,564 | 508 | 1,925 |
| Other payables | | 7,004 | 6,554 | 1,381 | 1,176 |
| Total liabilities | | 900,327 | 61,844 | 29,875 | 10,610 |
| Net assets attributable to holders of redeemable shares | | 172,631,209 | 151,873,799 | 34,326,629 | 27,564,583 |
| Net asset value per share | | | | | |
| Class A Shares | | 165.56 | 158.96 | 110.48 | 106.01 |
| Class B Shares | | 10.07 | 9.68 | 9.02 | 8.66 |
| Class C Shares | | 9.28 | 8.91 | — | — |
| Class X Shares | | 10.55 | 10.09 | 9.74 | 9.31 |
| Class P Shares* | | 10.01 | — | 10.10 | — |

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

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

Melville Douglas Income Fund Limited

Statements of Financial Position (continued)

As at 31 March 2024

(Comparatives as at 30 September 2023)

| | Notes | US Dollar | US Dollar | Total 31 March 2024 | Total 30 September 2023 |
|--|-----------|---|---|---------------------------|-------------------------------|
| | | Enhanced Income Class 31 March 2024 | Enhanced Income Class 30 September 2023 | | |
| | | USD | USD | USD | USD |
| Assets | | | | | |
| Financial assets at fair value through profit or loss | 2(b), 7.4 | 73,375,958 | 55,076,516 | 286,625,885 | 236,779,572 |
| Cash and cash equivalents | 2(c) | 609,368 | 351,489 | 2,381,587 | 2,651,842 |
| Receivable for shares sold | 2(f) | 161,666 | — | 1,320,715 | 802,569 |
| Income receivable | 2(d) | 333,682 | 291,100 | 1,084,877 | 1,077,667 |
| Total assets | | 74,480,674 | 55,719,105 | 291,413,064 | 241,311,650 |
| Liabilities | | | | | |
| Payable for shares redeemed | 2(f) | 1,977,808 | 648,459 | 2,847,881 | 648,459 |
| Management fees payable | 2(g) | 8,595 | 6,854 | 51,836 | 50,094 |
| Custodian fees payable | 2(g) | 1,783 | 1,514 | 5,787 | 5,301 |
| Sub-Custodian fees payable | 2(g) | 532 | 522 | 2,270 | 2,217 |
| Director fees payable | 2(g) | 2,191 | 2,080 | 9,193 | 9,249 |
| Audit fees payable | 2(g) | 1,020 | 3,857 | 4,280 | 14,771 |
| Other payables | | 2,993 | 2,345 | 11,742 | 10,334 |
| Total liabilities | | 1,994,922 | 665,631 | 2,932,989 | 740,425 |
| Net assets attributable to holders of redeemable shares | | 72,485,752 | 55,053,474 | 288,480,075 | 240,571,225 |
| Net asset value per share | | | | | |
| Class B Shares | | 10.30 | 10.05 | — | — |
| Class C Shares | | 10.32 | 10.06 | — | — |
| Class X Shares | | 10.81 | 10.51 | — | — |
| Class P Shares* | | 10.06 | — | — | — |

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

The financial statements were approved by the Board on 27 June 2024.

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

Melville Douglas Income Fund Limited

Statements of Comprehensive Income

For the period 1 October 2023 to 31 March 2024

(Comparatives are for the period 1 October 2022 to 31 March 2023)

| | Notes | US Dollar Bond Class 31 March 2024 | US Dollar Bond Class 31 March 2023 | Sterling Bond Class 31 March 2024 | Sterling Bond Class 31 March 2023 |
|--|---------|--|--|--|--|
| | | USD | USD | GBP | GBP |
| Income | | | | | |
| Dividend income | 2(d) | 744,743 | 383,682 | 141,645 | 93,485 |
| Interest income | 2(d) | 2,169,127 | 1,022,584 | 357,619 | 183,441 |
| Deposit interest | 2(d) | 15,785 | 27,913 | 2,718 | 3,174 |
| Net gain on financial assets at fair value through profit or loss | 2(h), 3 | 4,561,299 | 2,467,149 | 933,621 | 823,515 |
| Total net gain | | 7,490,954 | 3,901,328 | 1,435,603 | 1,103,615 |
| Expenses | | | | | |
| Management fees | 2(g) | 234,627 | 193,202 | 34,637 | 35,470 |
| Custodian fees | 2(g) | 18,015 | 15,104 | 5,483 | 4,985 |
| Sub-Custodian fees | 2(g) | 7,850 | 5,215 | 2,611 | 1,962 |
| Directors' fees | 2(g) | 11,504 | 9,740 | 2,163 | 2,498 |
| Audit fees | 2(g) | 5,362 | 3,185 | 1,008 | 819 |
| Sundry expenses | | 13,696 | 8,601 | 2,620 | 2,163 |
| Total operating expenses | | 291,054 | 235,047 | 48,522 | 47,897 |
| Net income before finance costs | | 7,199,900 | 3,666,281 | 1,387,081 | 1,055,718 |
| Finance Costs: | | | | | |
| Bank interest | 2(d) | — | — | — | (33) |
| Total Finance Costs | | — | — | — | (33) |
| Taxation | 2(i), 4 | (111,455) | (24,068) | (12,566) | 6,003 |
| Increase in net assets attributable to holders of redeemable shares from operations | | 7,088,445 | 3,642,213 | 1,374,515 | 1,061,688 |

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

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

Melville Douglas Income Fund Limited

Statements of Comprehensive Income (continued)

For the period 1 October 2023 to 31 March 2024

(Comparatives are for the period 1 October 2022 to 31 March 2023)

| | Notes | US Dollar Enhanced Income Class 31 March 2024 | US Dollar Enhanced Income Class 31 March 2023 | Total 31 March 2024 | Total 31 March 2023 |
|--|---------|--|--|---------------------------|---------------------------|
| | | USD | USD | USD | USD |
| Income | | | | | |
| Dividend income | 2(d) | 72,008 | 56,092 | 994,403 | 551,269 |
| Interest income | 2(d) | 1,359,973 | 674,123 | 3,977,627 | 1,915,488 |
| Deposit interest | 2(d) | 12,170 | 7,215 | 31,364 | 38,914 |
| Net gain on financial assets at fair value through profit or loss | 2(h), 3 | 426,679 | 494,566 | 6,158,930 | 3,943,882 |
| Total net gain | | 1,870,830 | 1,231,996 | 11,162,324 | 6,449,553 |
| Expenses | | | | | |
| Management fees | 2(g) | 49,969 | 40,870 | 328,038 | 276,376 |
| Custodian fees | 2(g) | 10,627 | 9,306 | 35,519 | 30,355 |
| Sub-Custodian fees | 2(g) | 3,743 | 3,600 | 14,868 | 11,155 |
| Directors' fees | 2(g) | 4,351 | 5,634 | 18,568 | 18,353 |
| Audit fees | 2(g) | 2,028 | 1,851 | 8,654 | 6,013 |
| Sundry expenses | | 5,542 | 4,354 | 22,524 | 15,535 |
| Total operating expenses | | 76,260 | 65,615 | 428,171 | 357,787 |
| Net income before finance costs | | 1,794,570 | 1,166,381 | 10,734,153 | 6,091,766 |
| Finance Costs: | | | | | |
| Bank interest | 2(d) | — | — | — | (39) |
| Total Finance Costs | | — | — | — | (39) |
| Taxation | 2(i), 4 | (13,773) | (9,815) | (140,988) | (26,723) |
| Increase in net assets attributable to holders of redeemable shares from operations | | 1,780,797 | 1,156,566 | 10,593,165 | 6,065,004 |

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

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

Melville Douglas Income Fund Limited

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

For the period 1 October 2023 to 31 March 2024

(Comparatives are for the period 1 October 2022 to 31 March 2023)

| | Notes | US Dollar Bond Class 31 March 2024 USD | US Dollar Bond Class 31 March 2023 USD | Sterling Bond Class 31 March 2024 GBP | Sterling Bond Class 31 March 2023 GBP |
|---|-------|---|---|--|--|
| Net assets attributable to holders of redeemable shares at the beginning of the period | | 151,873,799 | 87,987,674 | 27,564,583 | 21,626,382 |
| Proceeds from the issue of shares | 5 | 28,619,463 | 46,788,282 | 6,211,417 | 7,365,100 |
| Payments on the redemption of shares | 5 | (14,950,498) | (7,513,443) | (823,886) | (681,054) |
| Translation Adjustment* | | — | — | — | — |
| Increase in net assets attributable to holders of redeemable shares from investment activities | | 7,088,445 | 3,642,213 | 1,374,515 | 1,061,688 |
| Net assets attributable to holders of redeemable shares at the end of the period | | 172,631,209 | 130,904,726 | 34,326,629 | 29,372,116 |

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

Melville Douglas Income Fund Limited

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

For the period 1 October 2023 to 31 March 2024

(Comparatives are for the period 1 October 2022 to 31 March 2023)

| | Notes | US Dollar Enhanced Income Class 31 March 2024 | US Dollar Enhanced Income Class 31 March 2023 | Total 31 March 2024 | Total 31 March 2023 |
|---|-------|--|--|---------------------------|---------------------------|
| | | USD | USD | USD | USD |
| Net assets attributable to holders of redeemable shares at the beginning of the period | | 55,053,474 | 56,904,153 | 240,571,225 | 169,033,357 |
| Proceeds from the issue of shares | 5 | 22,568,334 | 2,047,029 | 58,978,185 | 57,619,319 |
| Payments on the redemption of shares | 5 | (6,916,853) | (9,255,332) | (22,900,673) | (17,581,036) |
| Translation Adjustment* | | — | — | 1,238,173 | 2,937,651 |
| Increase in net assets attributable to holders of redeemable shares from investment activities | | 1,780,797 | 1,156,566 | 10,593,165 | 6,065,004 |
| Net assets attributable to holders of redeemable shares at the end of the period | | 72,485,752 | 50,852,416 | 288,480,075 | 218,074,295 |

*The translation adjustment arises from the translation of opening net assets translated at financial period end 31 March 2023 rates, from the Statement of Comprehensive Income being translated at average rates with the closing assets and liabilities translated at the rates of exchange ruling at 31 March 2024.

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

Melville Douglas Income Fund Limited

Notes to the Financial Statements

1. Incorporation

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the periods presented unless otherwise stated. These financial statements have been prepared on a going concern basis under the historical cost convention as modified by the measurement at fair value of investments in accordance with applicable Jersey Law and United Kingdom Generally Accepted Accounting Practice ("UK GAAP") including Financial Reporting Standard 104 "The Interim Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 104"). The Company is an open-ended investment company incorporated by way of a continuance in Jersey on 31 March 2003 under the provisions of the Companies (Jersey) Law 1991 as Melville Douglas European Fund Limited and holds a fund certificate issued pursuant to the Collective Investment Funds (Jersey) Law 1988 and is regulated by the Jersey Financial Services Commission ("JFSC") as an unclassified fund. A summary of the more important accounting policies is set out below.

2. Accounting Policies

a. Basis of Accounting

These unaudited interim financial statements for the period ended 31 March 2024 have been prepared in accordance with FRS 104 as issued by the Financial Reporting Council ("FRC").

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

The information required by FRS 102, to be included in a single statement for the reporting period displaying all items of income and expenses recognised during the period including those items recognised in determining profit or loss and items of other comprehensive income and a Reconciliation of Movements in Shareholders' Funds is, in the opinion of the directors, contained in the Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares on pages 7 and 9. In arriving at the results for the period, all amounts in the Statement of Comprehensive Income on page 7 relate to continuing activities.

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

b. Investments

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

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

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

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

c. Cash and cash equivalents

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

d. Income

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

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

e. Foreign currencies

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

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

f. Share issues and redemptions

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

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

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

g. Expenses

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

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

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

i. Withholding taxes

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

j. Distribution policy

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

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

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

| | US Dollar Bond Class 31 March 2024 USD | US Dollar Bond Class 31 March 2023 USD | Sterling Bond Class 31 March 2024 GBP | Sterling Bond Class 31 March 2023 GBP | US Dollar Enhanced Income Class 31 March 2024 USD | US Dollar Enhanced Income Class 31 March 2023 USD | Total 31 March 2024 USD | Total 31 March 2023 USD |
|--|---|---|--|--|---|---|----------------------------------|----------------------------------|
| Non-derivative securities: | | | | | | | | |
| Net realised loss on investments | (29,771) | (6,941) | (5,554) | (28,466) | (43,831) | (35,588) | (80,568) | (76,479) |
| Net movement in unrealised investment schemes | 4,591,070 | 2,474,090 | 939,502 | 852,635 | 470,510 | 530,154 | 6,239,908 | 4,021,141 |
| | <u>4,561,299</u> | <u>2,467,149</u> | <u>933,948</u> | <u>824,169</u> | <u>426,679</u> | <u>494,566</u> | <u>6,159,340</u> | <u>3,944,662</u> |
| Derivative securities: | | | | | | | | |
| Net movement in unrealised foreign currency | — | — | (327) | (654) | — | — | (410) | (780) |
| | <u>—</u> | <u>—</u> | <u>(327)</u> | <u>(654)</u> | <u>—</u> | <u>—</u> | <u>(410)</u> | <u>(780)</u> |
| Net gain on financial assets at fair value through profit or loss | 4,561,299 | 2,467,149 | 933,621 | 823,515 | 426,679 | 494,566 | 6,158,930 | 3,943,882 |

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

4. Taxation

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

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

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| | USD | USD |
| Overseas tax - withholding tax on dividend income | 111,455 | 24,068 |
| Sterling Bond Class | 31 March 2024 | 31 March 2023 |
| | GBP | GBP |
| Overseas tax - withholding tax on dividend income | 12,566 | (6,003) |
| US Dollar Enhanced Income Class | 31 March 2024 | 31 March 2023 |
| | USD | USD |
| Overseas tax - withholding tax on dividend income | 13,773 | 9,815 |
| Total MD Income Funds | USD | USD |
| Overseas tax - withholding tax on dividend income | 140,988 | 26,723 |

5. Share capital

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

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

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

Management shares

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

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

5. Share capital (continued)

| | 31 March 2024 | 30 September 2023 |
|-----------------------------------|---------------|-------------------|
| | USD | USD |
| Current account | 100 | 100 |
| Management shares of USD1.00 each | 100 | 100 |
| Authorised, issued and fully paid | 100 | 100 |

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

Movements of participating shares

The following table shows the movement in participating shares during the period ended 31 March 2024.

| | Number of shares at 30 September 2023 | Issued during the period | Redeemed during the period | Number of shares at 31 March 2024 |
|---|---------------------------------------|--------------------------|----------------------------|-----------------------------------|
| US Dollar Bond Class - Class A Shares | 173,230 | 40,154 | (56,609) | 156,775 |
| US Dollar Bond Class - Class B Shares | 118,533 | — | (14,455) | 104,078 |
| US Dollar Bond Class - Class X Shares | 12,203,898 | 2,113,274 | (532,747) | 13,784,425 |
| US Dollar Bond Class - Class C Shares | 1,128 | — | (34) | 1,094 |
| US Dollar Bond Class - Class P Shares* | — | 13,038 | — | 13,038 |
| Sterling Bond Class - Class A Shares | 25,614 | 139 | (2,089) | 23,664 |
| Sterling Bond Class - Class B Shares | 26,729 | — | (12,535) | 14,194 |
| Sterling Bond Class - Class X Shares | 2,644,357 | 637,874 | (50,609) | 3,231,622 |
| Sterling Bond Class - Class P Shares* | — | 10,250 | — | 10,250 |
| US Dollar Enhanced Income Class - Class B Shares | 13,849 | — | — | 13,849 |
| US Dollar Enhanced Income Class - Class C Shares | 13,849 | 50 | — | 13,899 |
| US Dollar Enhanced Income Class - Class X Shares | 5,213,289 | 2,097,457 | (644,569) | 6,666,177 |
| US Dollar Enhanced Income Class - Class P Shares* | — | 13,038 | — | 13,038 |

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

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

5. Share capital (continued)

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

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

6. Related Party Transactions and Other Expenses

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

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

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

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

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

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

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

On amounts less than USD50 million 0.035%

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

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

On amounts over USD500 million 0.005%

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.

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

6. Related Party Transactions and Other Expenses (continued)

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

Michael Farrow is entitled to receive up to GBP23,000 per annum from the Company as director fees. Oliver Sonnbichler, Michael Laws and Robert Stewart are entitled to receive up to USD10,000 per director per annum from the Company.

For the US Dollar Bond Class directors fees incurred during the period ended 31 March 2024 amounted to USD11,504 (31 March 2023: USD9,740) with USD5,623 (30 September 2023: USD5,835) outstanding at the period end.

For the Sterling Bond Class directors fees incurred during the period ended 31 March 2024 amounted to GBP2,163 (31 March 2023: GBP2,498) with GBP1,092 (30 September 2023: GBP1,093) outstanding at the period end.

For the US Dollar Enhanced Income Class directors fees incurred during the period ended 31 March 2024 amounted to USD4,351 (31 March 2023: USD5,634) with USD2,191 (30 September 2023: USD2,080) outstanding at the period end.

The fees incurred during the period ended 31 March 2024 and 31 March 2023 are as disclosed in the Statements of Comprehensive Income with the amounts outstanding at the period end disclosed in the Statements of Financial Position.

7. Financial risk management

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

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

7.1. Market risk

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

Market price risk

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

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

Sensitivity analysis

The table below summarises the sensitivity of the Class Funds' net assets attributable to holders of redeemable shares to market price movements. It shows the increase/(decrease) in the net assets attributable to holders of redeemable shares for the Class Funds' given a 5% movement in the underlying investment prices at period end; all other variables remaining constant (5% is considered to be a reasonable possible change in price):

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

Market price risk (continued)

| | | 31 March 2024 | 30 September 2023 |
|---------------------------------|-----|---------------|-------------------|
| US Dollar Bond Class | USD | 8,529,669 | 7,446,820 |
| Sterling Bond Class | GBP | 1,688,365 | 1,342,291 |
| US Dollar Enhanced Income Class | USD | 3,668,798 | 2,753,826 |

Interest rate risk

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

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

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

The breakdown of the Class Funds' assets as at 31 March 2024 and 31 March 2023 is detailed in Note 7.4 Fair Value Hierarchy.

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

| 31 March 2024 | | |
|----------------------|---|--|
| Programme | Fixed rate financial assets Weighted average interest rate | Fixed rate financial assets weighted average period for which rate is fixed |
| US Dollar Bond Class | 1.92% | 5 years 4 months |

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

| 31 March 2024 | | |
|----------------------|---|--|
| Programme | Fixed rate financial assets Weighted average interest rate | Fixed rate financial assets weighted average period for which rate is fixed |
| Sterling Bond Class | 1.42% | 5 years 6 months |

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

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

Interest rate risk (continued)

| 31 March 2024 | | |
|---------------------------------|--|---|
| Programme | Fixed rate financial assets Weighted average interest rate | Fixed rate financial assets weighted average period for which rate is fixed |
| US Dollar Enhanced Income Class | 1.99% | 7 months |

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

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

US Dollar Bond Class

31 March 2024

| | Fixed rate financial assets | Floating rate financial assets | Net assets not carrying interest | Total |
|-----|-----------------------------------|--------------------------------------|--|--------------------|
| USD | 134,788,463 | 2,295,726 | 35,547,020 | 172,631,209 |
| | <u>134,788,463</u> | <u>2,295,726</u> | <u>35,547,020</u> | <u>172,631,209</u> |

US Dollar Bond Class

30 September 2023

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

Sterling Bond Class

31 March 2024

| | Fixed rate financial assets | Floating rate financial assets | Net assets not carrying interest | Total |
|-----|-----------------------------------|--------------------------------------|--|-------------------|
| GBP | 27,163,352 | 157,675 | 7,005,602 | 34,326,629 |
| | <u>27,163,352</u> | <u>157,675</u> | <u>7,005,602</u> | <u>34,326,629</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)

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> |

US Dollar Enhanced Income Class

31 March 2024

| | Fixed rate financial assets | Floating rate financial assets | Net assets not carrying interest | Total |
|-----|-----------------------------|--------------------------------|----------------------------------|-------------------|
| USD | 67,917,429 | 896,323 | 3,672,000 | 72,485,752 |
| | <u>67,917,429</u> | <u>896,323</u> | <u>3,672,000</u> | <u>72,485,752</u> |

US Dollar Enhanced Income Class

30 September 2023

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

Total

31 March 2024

| | Fixed rate financial assets | Floating rate financial assets | Net assets not carrying interest | Total |
|-----|-----------------------------|--------------------------------|----------------------------------|--------------------|
| USD | 237,019,996 | 3,391,232 | 48,068,847 | 288,480,075 |
| | <u>237,019,996</u> | <u>3,391,232</u> | <u>48,068,847</u> | <u>288,480,075</u> |

Total

30 September 2023

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

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.1. Market risk (continued)

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 31 March 2024 and 30 September 2023.

US Dollar Bond Class

| Exposure currency 31 March 2024 | Investments USD | Cash USD | Other net assets USD | Total net assets USD | % of net assets |
|------------------------------------|--------------------|------------------|----------------------------|----------------------------|--------------------|
| USD | 170,593,384 | 1,302,703 | 735,122 | 172,631,209 | 100.00 |
| | <u>170,593,384</u> | <u>1,302,703</u> | <u>735,122</u> | <u>172,631,209</u> | <u>100.00</u> |

US Dollar Bond Class

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

Sterling Bond Class

| Exposure currency 31 March 2024 | Investments GBP | Cash GBP | Other net assets GBP | Total net assets GBP | % of net assets |
|------------------------------------|--------------------|----------------|----------------------------|----------------------------|--------------------|
| EUR | 673,418 | 17,632 | 5,460 | 696,510 | 2.03 |
| GBP | 30,181,384 | 332,491 | 156,958 | 30,670,833 | 89.35 |
| USD | 2,912,499 | 21,550 | 25,237 | 2,959,286 | 8.62 |
| | <u>33,767,301</u> | <u>371,673</u> | <u>187,655</u> | <u>34,326,629</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> |

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 31 March 2024 | Investments USD | Cash USD | Other net liabilities USD | Total net assets USD | % of net assets |
|------------------------------------|--------------------|----------------|---------------------------------|----------------------------|--------------------|
| USD | 73,375,958 | 609,368 | (1,499,574) | 72,485,752 | 100.00 |
| | <u>73,375,958</u> | <u>609,368</u> | <u>(1,499,574)</u> | <u>72,485,752</u> | <u>100.00</u> |

US Dollar Enhanced Income Class

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

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

The following sensitivity analysis shows the change in the net assets of a Class Fund given a 5% increase or decrease in the value of a foreign currency relative to the Class Funds' reporting currency for all significant foreign currency positions of the Class Fund (5% is considered to be a reasonable possible change in foreign currency rates). US Dollar Bond Class and US Dollar Enhanced Income Class have no foreign currency exposure for the period ended 31 March 2024 and year ended 30 September 2023.

| Sterling Bond Class | Change in net assets | | Change in net assets | |
|---------------------|----------------------|---------|----------------------|-----|
| | 31 March 2024 | GBP | 30 September 2023 | GBP |
| EUR | +/-5% | 34,826 | 31,180 | |
| USD | +/-5% | 147,964 | 142,618 | |

7.2. Liquidity risk

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

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.

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

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

For the period ended 31 March 2024 the Sub-Custodian and Banker, The Bank of New York Mellon SA/NV London Branch has a credit rating of AA- (2023 : AA-) with Standard & Poor's, Aa2 (2023 : Aa2) with Moody's and AA (2023 : AA) with Fitch.

7.4. Fair value hierarchy

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

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

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

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

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

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 31 March 2024 and 30 September 2023 in accordance with FRS 102.

31 March 2024

| | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
|-----------------------------|--------------------|-------------------|----------------|--------------------|
| US Dollar Bond Class | | | | |
| Investment Companies | 33,509,195 | — | — | 33,509,195 |
| Corporate Bonds | — | 26,201,801 | — | 26,201,801 |
| Government Bonds | 110,882,388 | — | — | 110,882,388 |
| Total Assets | 144,391,583 | 26,201,801 | — | 170,593,384 |

30 September 2023

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

31 March 2024

| | Level 1 GBP | Level 2 GBP | Level 3 GBP | Total GBP |
|----------------------------|-------------------|------------------|----------------|-------------------|
| Sterling Bond Class | | | | |
| Investment Companies | 6,446,274 | — | — | 6,446,274 |
| Corporate Bonds | — | 8,349,610 | — | 8,349,610 |
| Government Bonds | 18,971,417 | — | — | 18,971,417 |
| Total Assets | 25,417,691 | 8,349,610 | — | 33,767,301 |

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.4. Fair value hierarchy (continued)

30 September 2023

| | Level 1 GBP | Level 2 GBP | Level 3 GBP | Total GBP |
|----------------------------|-------------------|------------------|----------------|-------------------|
| Sterling Bond Class | | | | |
| 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 |
| Total Assets | 19,679,141 | 7,166,669 | — | 26,845,810 |

31 March 2024

| | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
|--|-------------------|-------------------|----------------|-------------------|
| US Dollar Enhanced Income Class | | | | |
| Investment Companies | 4,562,206 | — | — | 4,562,206 |
| Corporate Bonds | — | 30,066,665 | — | 30,066,665 |
| Government Bonds | 38,747,087 | — | — | 38,747,087 |
| Total Assets | 43,309,293 | 30,066,665 | — | 73,375,958 |

30 September 2023

| | Level 1 USD | Level 2 USD | Level 3 USD | Total USD |
|--|-------------------|-------------------|----------------|-------------------|
| US Dollar Enhanced Income Class | | | | |
| 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 |
| Total Assets | 28,599,086 | 26,477,430 | — | 55,076,516 |

There were no movement between levels for the financial period ended 31 March 2024. There were no movement between levels for the financial year ended 30 September 2023.

8. Exchange rates

The following exchange rates at 31 March 2024 and 30 September 2023 were used to translate foreign currency assets and liabilities.

US Dollar Bond Class and US Dollar Enhanced Income Class

| | Period End Exchange Rates | | Average Exchange Rates | |
|---------|---------------------------|-------------------|------------------------|-------------------|
| | 31 March 2024 | 30 September 2023 | 31 March 2024 | 30 September 2023 |
| USD/EUR | 0.92591 | 0.94449 | 0.92522 | 0.93673 |
| USD/GBP | 0.79161 | 0.81930 | 0.79707 | 0.81534 |

Sterling Bond Class

| | Period End Exchange Rates | | Average Exchange Rates | |
|---------|---------------------------|-------------------|------------------------|-------------------|
| | 31 March 2024 | 30 September 2023 | 31 March 2024 | 30 September 2023 |
| GBP/EUR | 1.16965 | 1.15280 | 1.16067 | 1.14865 |
| GBP/USD | 1.26325 | 1.22055 | 1.25420 | 1.22484 |

9. Significant events during the period

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

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

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

Melville Douglas Income Fund Limited

Notes to the Financial Statements (continued)

10. Post statement of financial position events

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

11. Contingent Liabilities

There were no contingent liabilities as at 31 March 2024 or as at 30 September 2023.

12. Approval of financial statements

The financial statements were approved by the Directors on 27 June 2024.

Melville Douglas Income Fund Limited

Portfolio Statement

US Dollar Bond Class

As at 31 March 2024

| | Nominal Holding | Cost USD | Fair Value USD | % of Net Assets | Credit Rating |
|--|-----------------|------------|--------------------------|-----------------|---------------|
| Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.82% (30 September 2023: 98.07%) | | | | | |
| Investment Companies 19.41% (30 September 2023: 18.79%) | | | | | |
| Ireland | | | | | |
| iShares USD Corp Bond UCITS ETF | 146,190 | 15,058,790 | 14,957,430 | 8.66 | NR |
| iShares USD Short Duration Corp Bond UCITS ETF | 131,780 | 13,227,857 | 12,955,291 27,912,721 | 7.51 16.17 | NR |
| United States | | | | | |
| iShares iBoxx High Yield Corporate Bond ETF | 71,985 | 5,802,094 | 5,596,474 5,596,474 | 3.24 3.24 | NR |
| Total Investment Companies | | | 33,509,195 | 19.41 | |
| Corporate Bonds 15.18% (30 September 2023: 17.41%) | | | | | |
| International | | | | | |
| European Investment Bank 2.500% 15/10/2024 | 6,450,000 | 6,473,949 | 6,358,032 | 3.68 | Aaa |
| Inter-American Development Bank 'GMTN' 1.125% 13/01/2031 | 9,000,000 | 8,464,168 | 7,328,950 | 4.24 | Aaa |
| International Bank for Reconstruction & Development 1.500% 28/08/2024 | 5,690,000 | 5,709,083 | 5,604,000 19,290,982 | 3.25 11.17 | Aaa |
| South Africa | | | | | |
| Standard Bank Group Ltd FRN 5.950% 31/05/2029 | 1,000,000 | 1,029,993 | 995,915 | 0.58 | Ba3 |
| United States | | | | | |
| Amazon.com Inc 4.700% 01/12/2032 | 1,900,000 | 1,940,551 | 1,908,801 | 1.11 | A1 |
| JPMorgan Chase & Co FRN 6.087% 23/10/2029 | 1,250,000 | 1,303,591 | 1,299,811 | 0.75 | A1 |
| UnitedHealth Group Inc 2.875% 15/08/2029 | 1,900,000 | 1,765,683 | 1,733,354 972,938 | 1.01 0.56 | A2 Aa3 |
| Visa Inc 3.150% 14/12/2025 | 1,000,000 | 1,012,257 | 5,914,904 | 3.43 | |
| Total Corporate Bonds | | | 26,201,801 | 15.18 | |
| Government Bonds 64.23% (30 September 2023: 61.87%) | | | | | |
| United States | | | | | |
| United States Treasury Bill (Zero Coupon) 0.000% 13/06/2024 | 18,500,000 | 18,294,839 | 18,304,719 | 10.60 | Aaa |

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Bond Class (continued)

As at 31 March 2024 (continued)

| | | Nominal Holding | Cost USD | Fair Value USD | % of Net Assets | Credit Rating |
|---|---|-----------------|---------------------------|----------------------|-----------------|---------------|
| Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market | | | | | | |
| 98.82% (30 September 2023: 98.07%) | | | | | | |
| (continued) | | | | | | |
| Government Bonds | 64.23% (30 September 2023: 61.87%) (continued) | | | | | |
| United States (continued) | | | | | | |
| United States Treasury | Note/Bond | | | | | |
| 2.250% 15/02/2027 | | 10,960,000 | 10,883,411 | 10,317,865 | 5.98 | Aaa |
| United States Treasury | Note/Bond | | | | | |
| 2.625% 15/02/2029 | | 8,450,000 | 8,344,575 | 7,851,638 | 4.55 | Aaa |
| United States Treasury | Note/Bond | | | | | |
| 1.750% 15/11/2029 | | 26,950,000 | 25,254,475 | 23,728,158 | 13.74 | Aaa |
| United States Treasury | Note/Bond | | | | | |
| 1.875% 15/02/2032 | | 44,810,000 | 39,886,790 | 37,843,208 | 21.92 | Aaa |
| United States Treasury | Note/Bond | | | | | |
| 3.500% 15/02/2033 | | 13,550,000 | 12,904,622 | <u>12,836,800</u> | <u>7.44</u> | Aaa |
| | | | | 110,882,388 | 64.23 | |
| Total Government Bonds | | | | 110,882,388 | 64.23 | |
| Total Investments | | | 177,356,728 | 170,593,384 | 98.82 | |
| Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market | | | | 170,593,384 | 98.82 | |
| Total Investments | | | 170,593,384 | 98.82 | | |
| Net current assets | | | <u>2,037,825</u> | <u>1.18</u> | | |
| Total net assets | | | <u>172,631,209</u> | <u>100.00</u> | | |

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

Sterling Bond Class

As at 31 March 2024

| | Nominal Holding | Cost GBP | Fair Value GBP | % of Net Assets | Credit Rating |
|--|-----------------|-----------|------------------------|-----------------|---------------|
| Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.37% (30 September 2023: 97.39%) | | | | | |
| Investment Companies 18.78% (30 September 2023: 19.22%) | | | | | |
| Ireland | | | | | |
| iShares Core GBP Corp Bond UCITS ETF | 20,920 | 2,559,359 | 2,584,561 | 7.53 | NR |
| iShares EUR High Yield Corp Bond UCITS ETF | 3,710 | 333,046 | 290,735 | 0.85 | NR |
| iShares GBP Corp Bond 0-5yr UCITS ETF | 26,770 | 2,785,116 | 2,669,103 | 7.77 | NR |
| iShares USD High Yield Corp Bond UCITS ETF | 210,620 | 960,345 | 901,875 6,446,274 | 2.63 18.78 | NR |
| Total Investment Companies | | | 6,446,274 | 18.78 | |
| Corporate Bonds 24.32% (30 September 2023: 22.58%) | | | | | |
| Germany | | | | | |
| Kreditanstalt fuer Wiederaufbau 'EMTN' 0.875% 15/09/2026 | 985,000 | 978,968 | 905,910 | 2.64 | Aaa |
| Kreditanstalt fuer Wiederaufbau 'EMTN' 3.125% 10/10/2028 | 440,000 | 380,601 | 382,683 1,288,593 | 1.11 3.75 | Aaa |
| International | | | | | |
| European Investment Bank 3.875% 15/03/2028 | 1,350,000 | 1,080,287 | 1,038,470 | 3.03 | Aaa |
| Inter-American Development Bank 0.500% 15/09/2026 | 1,995,000 | 1,978,360 | 1,816,876 | 5.29 | Aaa |
| International Bank for Reconstruction & Development 1.000% 21/12/2029 | 3,200,000 | 2,973,300 | 2,714,912 5,570,258 | 7.91 16.23 | Aaa |
| South Africa | | | | | |
| Standard Bank Group Ltd FRN 5.950% 31/05/2029 | 200,000 | 159,553 | 157,675 | 0.46 | Ba3 |
| United Kingdom | | | | | |
| BAT International Finance Plc 'EMTN' 2.250% 26/06/2028 | 300,000 | 271,244 | 265,923 | 0.78 | Baa2 |
| Experian Finance Plc 'EMTN' 3.250% 07/04/2032 | 300,000 | 262,361 | 274,381 | 0.80 | Baa1 |
| GlaxoSmithKline Capital Plc 'EMTN' 3.375% 20/12/2027 | 400,000 | 405,946 | 388,970 | 1.13 | A2 |
| Unilever Plc 'EMTN' 1.875% 15/09/2029 | 350,000 | 312,687 | 310,454 1,239,728 | 0.90 3.61 | A1 |

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

Sterling Bond Class (continued)

As at 31 March 2024 (continued)

| | Nominal Holding | Cost GBP | Fair Value GBP | % of Net Assets | Credit Rating |
|--|-----------------|-------------------|--------------------------|----------------------|---------------|
| Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 98.37% (30 September 2023: 97.39%) (continued) | | | | | |
| Corporate Bonds 24.32% (30 September 2023: 22.58%) (continued) | | | | | |
| United States | | | | | |
| Nestle Holdings Inc 'EMTN' 0.625% 18/12/2025 | 100,000 | 99,988 | 93,356 | 0.27 | Aa3 |
| Total Corporate Bonds | | | 8,349,610 | 24.32 | |
| Government Bonds 55.27% (30 September 2023: 55.59%) | | | | | |
| United Kingdom | | | | | |
| United Kingdom Gilt 1.625% 22/10/2028 | 4,700,000 | 4,490,425 | 4,282,358 | 12.48 | Aa3 |
| United Kingdom Gilt 0.875% 22/10/2029 | 3,975,000 | 3,764,227 | 3,405,383 | 9.92 | Aa3 |
| United Kingdom Gilt 1.000% 31/01/2032 | 11,800,000 | 9,798,425 | 9,567,322 | 27.87 | Aa3 |
| | | | <u>17,255,063</u> | <u>50.27</u> | |
| United States | | | | | |
| United States Treasury Note/Bond 2.875% 30/04/2025 | 2,217,000 | 1,683,344 | 1,716,354 | 5.00 | Aaa |
| Total Government Bonds | | | 18,971,417 | 55.27 | |
| Total Investments | | 35,277,582 | 33,767,301 | 98.37 | |
| Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market | | | 33,767,301 | 98.37 | |
| Total Investments | | | 33,767,301 | 98.37 | |
| Net current assets | | | <u>559,328</u> | <u>1.63</u> | |
| Total net assets | | | <u>34,326,629</u> | <u>100.00</u> | |

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Enhanced Income Class

As at 31 March 2024

| | Nominal Holding | Cost USD | Fair Value USD | % of Net Assets | Credit Rating |
|--|-----------------|-----------|------------------------|-----------------|---------------|
| Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 101.23% (30 September 2023: 100.04%) | | | | | |
| Investment Companies 6.29% (30 September 2023: 5.71%) | | | | | |
| Ireland | | | | | |
| iShares USD Short Duration Corp Bond UCITS ETF | 22,085 | 2,310,711 | 2,171,176 | 2.99 | NR |
| iShares iBonds Dec 2025 Term USD Corp UCITS ETF | 12,700 | 1,310,743 | 1,317,371 3,488,547 | 1.82 4.81 | NR |
| United States | | | | | |
| iShares iBoxx High Yield Corporate Bond ETF | 13,810 | 1,151,634 | 1,073,659 1,073,659 | 1.48 1.48 | NR |
| Total Investment Companies | | | 4,562,206 | 6.29 | |
| Corporate Bonds 41.48% (30 September 2023: 47.55%) | | | | | |
| Germany | | | | | |
| Kreditanstalt fuer Wiederaufbau 1.250% 31/01/2025 | 1,120,000 | 1,090,016 | 1,085,701 | 1.50 | Aaa |
| Kreditanstalt fuer Wiederaufbau 2.500% 20/11/2024 | 500,000 | 491,432 | 491,563 | 0.68 | Aaa |
| Kreditanstalt fuer Wiederaufbau 5.125% 29/09/2025 | 2,250,000 | 2,249,536 | 2,263,051 | 3.12 | Aaa |
| Kreditanstalt fuer Wiederaufbau 1.375% 05/08/2024 | 1,000,000 | 986,063 | 987,496 4,827,811 | 1.36 6.66 | Aaa |
| International | | | | | |
| Asian Development Bank 'GMTN' 4.125% 27/09/2024 | 4,000,000 | 3,984,042 | 3,977,237 | 5.49 | Aaa |
| Asian Development Bank 'GMTN' 2.875% 06/05/2025 | 2,000,000 | 1,951,104 | 1,954,757 | 2.70 | Aaa |
| European Bank for Reconstruction & Development 1.625% 27/09/2024 | 535,000 | 525,450 | 526,012 | 0.72 | Aaa |
| European Bank for Reconstruction & Development 'GMTN' 1.500% 13/02/2025 | 581,000 | 563,094 | 563,874 | 0.78 | Aaa |
| European Investment Bank 2.250% 24/06/2024 | 2,500,000 | 2,509,633 | 2,482,761 | 3.42 | Aaa |
| European Investment Bank 0.375% 24/07/2024 | 2,000,000 | 1,968,485 | 1,970,058 | 2.72 | Aaa |
| Inter-American Development Bank 0.625% 15/07/2025 | 4,425,000 | 4,181,448 | 4,189,147 | 5.78 | Aaa |
| Inter-American Development Bank 3.250% 01/07/2024 | 750,000 | 745,910 | 746,067 | 1.03 | Aaa |

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Enhanced Income Class (continued)

As at 31 March 2024 (continued)

| | Nominal Holding | Cost USD | Fair Value USD | % of Net Assets | Credit Rating |
|--|-----------------|-----------|-------------------------|-----------------|---------------|
| Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 101.23% (30 September 2023: 100.04%) (continued) | | | | | |
| Corporate Bonds 41.48% (30 September 2023: 47.55%) (continued) | | | | | |
| International (continued) | | | | | |
| International Bank for Reconstruction & Development 1.500% 28/08/2024 | 1,300,000 | 1,305,734 | 1,280,352 17,690,265 | 1.76 24.40 | Aaa |
| South Africa | | | | | |
| Standard Bank Group Ltd FRN 5.950% 31/05/2029 | 900,000 | 925,998 | 896,323 | 1.24 | Ba3 |
| United States | | | | | |
| Amazon.com Inc 3.800% 05/12/2024 | 1,500,000 | 1,486,069 | 1,485,897 | 2.05 | A1 |
| BAT Capital Corp 3.222% 15/08/2024 | 1,000,000 | 989,987 | 988,986 | 1.37 | Baa2 |
| Elevance Health Inc 3.350% 01/12/2024 | 1,700,000 | 1,675,659 | 1,676,526 | 2.31 | Baa2 |
| JPMorgan Chase & Co 3.875% 10/09/2024 | 1,500,000 | 1,485,785 | 1,487,282 | 2.05 | A3 |
| UnitedHealth Group Inc 2.375% 15/08/2024 | 1,025,000 | 1,015,289 | 1,013,575 6,652,266 | 1.40 9.18 | A2 |
| Total Corporate Bonds | | | 30,066,665 | 41.48 | |
| Government Bonds 53.46% (30 September 2023: 46.78%) | | | | | |
| United States | | | | | |
| United States Treasury Bill (Zero Coupon) 0.000% 30/04/2024 | 6,750,000 | 6,718,565 | 6,721,506 | 9.27 | Aaa |
| United States Treasury Bill (Zero Coupon) 0.000% 23/05/2024 | 5,400,000 | 5,356,525 | 5,359,124 | 7.39 | Aaa |
| United States Treasury Bill (Zero Coupon) 0.000% 09/05/2024 | 2,250,000 | 2,236,384 | 2,237,542 | 3.09 | Aaa |
| United States Treasury Note/Bond 2.000% 30/06/2024 | 3,400,000 | 3,371,452 | 3,371,435 | 4.65 | Aaa |
| United States Treasury Note/Bond 2.125% 31/07/2024 | 5,500,000 | 5,440,774 | 5,442,687 | 7.51 | Aaa |
| United States Treasury Note/Bond 2.875% 30/04/2025 | 5,500,000 | 5,391,843 | 5,378,896 | 7.42 | Aaa |
| United States Treasury Note/Bond 1.375% 31/01/2025 | 1,500,000 | 1,463,032 | 1,454,826 | 2.01 | Aaa |
| United States Treasury Note/Bond 1.125% 15/01/2025 | 1,600,000 | 1,551,259 | 1,551,298 | 2.14 | Aaa |
| United States Treasury Note/Bond 2.500% 31/05/2024 | 5,300,000 | 5,278,015 | 5,275,284 | 7.28 | Aaa |

Melville Douglas Income Fund Limited

Portfolio Statement (continued)

US Dollar Enhanced Income Class (continued)

As at 31 March 2024 (continued)

| | Nominal Holding | Cost USD | Fair Value USD | % of Net Assets | Credit Rating |
|--|-----------------|-----------|--|-------------------------------|---------------|
| Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market 101.23% (30 September 2023: 100.04%) (continued) | | | | | |
| Government Bonds 53.46% (30 September 2023: 46.78%) (continued) | | | | | |
| United States (continued) | | | | | |
| United States Treasury Note/Bond 3.125% 15/08/2025 | 2,000,000 | 1,951,248 | 1,954,489 38,747,087 38,747,087 | 2.70 53.46 53.46 | Aaa |
| Total Government Bonds | | | 73,662,919 | 73,375,958 | 101.23 |
| Total Investments | | | 73,662,919 | 73,375,958 | 101.23 |
| Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market | | | 73,375,958 | 73,375,958 | 101.23 |
| Total Investments | | | 73,375,958 | 101.23 | |
| Net current liabilities | | | (890,206) | (1.23) | |
| Total net assets | | | 72,485,752 | 100.00 | |

Melville Douglas Income Fund Limited

Fund Statistics

| US Dollar Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
|-----------------------------|------------------------|----------------------------------|---------------------------|----------------------------------|-----------------------|----------------------|
| Class A Shares | USD | USD | | | USD | USD |
| 30 September 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 |
| 31 March 2024 | 25,955,834 | 165.56 | 4.15 | 156,775 | 167.46 | 156.26 |
| US Dollar Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class B Shares | USD | USD | | | USD | USD |
| At launch (1 March 2018) | 16,698 | 10.00 | - | 1,667 | - | - |
| 30 September 2018 | 33,287 | 10.00 | - | 3,329 | 10.05 | 9.94 |
| 30 September 2019 | 100,177 | 10.54 | 5.40 | 9,505 | 10.61 | 9.96 |
| 30 September 2020 | 1,515,654 | 11.00 | 4.36 | 137,826 | 11.04 | 10.48 |
| 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 |
| 31 March 2024 | 1,048,494 | 10.07 | 4.03 | 104,078 | 10.19 | 9.51 |
| US Dollar Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class C Shares | USD | USD | | | USD | USD |
| At launch (2 June 2020) | 2,809 | 10.00 | - | 281 | - | - |
| 30 September 2020 | 149,428 | 10.03 | 0.40 | 14,905 | 10.06 | 9.96 |
| 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 |
| 31 March 2024 | 10,155 | 9.28 | 4.15 | 1,094 | 9.39 | 8.76 |

Melville Douglas Income Fund Limited

Fund Statistics (continued)

| US Dollar Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
|-----------------------------|------------------------|----------------------------------|---------------------------|----------------------------------|-----------------------|----------------------|
| Class P Shares*** | USD | USD | | | USD | USD |
| At launch (25 January 2024) | 130,282 | 9.99 | - | 13,038 | - | - |
| 31 March 2024 | 130,496 | 10.01 | 0.20 | 13,038 | 10.12 | 9.90 |
| US Dollar Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class X Shares | USD | USD | | | USD | USD |
| At launch (17 October 2017) | 19,991 | 10.00 | - | 2,000 | - | - |
| 30 September 2018 | 2,423,942 | 9.93 | (0.67) | 244,024 | 10.01 | 9.83 |
| 30 September 2019 | 24,087,477 | 10.59 | 6.65 | 2,275,322 | 10.65 | 9.90 |
| 30 September 2020 | 31,255,274 | 11.16 | 5.38 | 2,799,487 | 11.19 | 10.54 |
| 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 |
| 31 March 2024 | 145,486,230 | 10.55 | 4.56 | 13,784,425 | 10.66 | 9.93 |
| Sterling Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class A Shares | GBP | GBP | | | GBP | GBP |
| 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 |
| 31 March 2024 | 2,614,434 | 110.48 | 4.22 | 23,664 | 111.82 | 104.90 |
| Sterling Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class B Shares | GBP | GBP | | | GBP | GBP |
| 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 |
| 31 March 2024 | 128,011 | 9.02 | 4.16 | 14,194 | 9.13 | 8.57 |

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Fund Statistics (continued)

| Sterling Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
|--|------------------------|----------------------------------|---------------------------|----------------------------------|-----------------------|----------------------|
| Class C Shares** | GBP | GBP | | | GBP | GBP |
| 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 |
| Sterling Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class P Shares*** | GBP | GBP | | | GBP | GBP |
| At launch (25 January 2024) | 102,582 | 10.00 | - | 10,250 | - | - |
| 31 March 2024 | 103,567 | 10.10 | 1.00 | 10,250 | 10.12 | 9.93 |
| Sterling Bond Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class X Shares | GBP | GBP | | | GBP | GBP |
| At launch (28 August 2018) | 654,322 | 10.00 | - | 65,460 | - | - |
| 30 September 2018 | 776,389 | 9.95 | (0.50) | 78,041 | 10.00 | 9.92 |
| 30 September 2019 | 4,749,764 | 10.34 | 3.92 | 459,480 | 10.37 | 9.90 |
| 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 |
| 31 March 2024 | 31,480,617 | 9.74 | 4.62 | 3,231,622 | 9.84 | 9.22 |
| US Dollar Enhanced Income Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class B Shares | USD | USD | | | USD | USD |
| At launch (4 August 2023) | 138,493 | 10.00 | - | 13,849 | - | - |
| 30 September 2023 | 139,232 | 10.05 | 0.50 | 13,849 | 10.05 | 10.01 |
| 31 March 2024 | 142,697 | 10.30 | 2.49 | 13,849 | 10.30 | 10.04 |
| US Dollar Enhanced Income Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class C Shares | USD | USD | | | USD | USD |
| At launch (4 August 2023) | 138,493 | 10.00 | - | 13,849 | - | - |
| 30 September 2023 | 139,275 | 10.06 | 0.60 | 13,849 | 10.06 | 10.01 |
| 31 March 2024 | 143,395 | 10.32 | 2.58 | 13,899 | 10.32 | 10.05 |

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Fund Statistics (continued)

| US Dollar Enhanced Income Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
|--|------------------------|----------------------------------|---------------------------|----------------------------------|-----------------------|----------------------|
| Class P Shares*** | USD | USD | | | USD | USD |
| At launch (25 January 2024) | 130,378 | 10.00 | - | 13,038 | - | - |
| 31 March 2024 | 131,200 | 10.06 | 0.60 | 13,038 | 10.06 | 10.00 |
| US Dollar Enhanced Income Class | Net asset value | Net asset value per share | % change in period | Number of shares in issue | Highest* price | Lowest* price |
| Class X Shares | USD | USD | | | USD | USD |
| At launch (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 |
| 31 March 2024 | 72,068,461 | 10.81 | 2.85 | 6,666,176 | 10.81 | 10.50 |

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

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

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

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

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Other Information

Total Expense Ratios

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

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| US Dollar Bond Class - Class A Shares | 1.02 % | 1.04 % |
| US Dollar Bond Class - Class B Shares | 1.12 % | 1.14 % |
| US Dollar Bond Class - Class C Shares | 0.82 % | 0.84 % |
| US Dollar Bond Class - Class P Shares* | N/A | N/A |
| US Dollar Bond Class - Class X Shares | 0.22 % | 0.23 % |
| Sterling Bond Class - Class A Shares | 1.04 % | 1.05 % |
| Sterling Bond Class - Class B Shares | 1.14 % | 1.15 % |
| Sterling Bond Class - Class P Shares* | N/A | N/A |
| Sterling Bond Class - Class X Shares | 0.24 % | 0.25 % |
| US Dollar Enhanced Income Class - Class B Shares** | N/A | N/A |
| US Dollar Enhanced Income Class - Class C Shares** | N/A | N/A |
| US Dollar Enhanced Income Class - Class P Shares* | N/A | N/A |
| US Dollar Enhanced Income Class - Class X Shares | 0.24 % | 0.24 % |

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

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

Investment Purchases, Investment Sales and Commissions

| US Dollar Bond Class | 31 March | 31 March |
|---|-------------------|-------------------|
| | 2024 | 2023 |
| | USD | USD |
| Gross purchases in period including transaction costs | 43,924,110 | 59,463,479 |
| Commissions | — | (300) |
| Net purchases total | 43,924,110 | 59,463,179 |
| | | |
| Gross sales in period including transaction costs | 27,638,008 | 18,502,554 |
| Commissions | — | — |
| Net sales total | 27,638,008 | 18,502,554 |
| | | |
| | 2024 | 2023 |
| | GBP | GBP |
| Gross purchases in period including transaction costs | 6,937,684 | 9,122,512 |
| Commissions | — | (244) |
| Net purchases total | 6,937,684 | 9,122,268 |
| | | |
| Gross sales in period including transaction costs | 1,122,902 | 1,602,618 |
| Net sales total | 1,122,902 | 1,602,618 |

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Other Information (continued)

Investment Purchases, Investment Sales and Commissions (continued)

| | 31 March 2024 USD | 31 March 2023 USD |
|---|----------------------|----------------------|
| US Dollar Enhanced Income Class | | |
| Gross purchases in period including transaction costs | 37,827,420 | 18,974,558 |
| Commissions | — | (200) |
| Net purchases total | <u>37,827,420</u> | <u>18,974,358</u> |
| Gross sales in period including transaction costs | 20,695,819 | 24,280,202 |
| Commissions | — | (200) |
| Net sales total | <u>20,695,819</u> | <u>24,280,002</u> |