

Melville Douglas STANLIB Global Equity Feeder Fund

Fund information update at 31 August 2018

What is the fund's objective?

The objective of the fund is to provide long-term capital growth by investing in quoted global equities and maximising investment returns in USD.

What does the fund invest in?

The fund is a feeder fund which will invest solely of participatory interests of the Melville Douglas Select Global Equity Fund. This is a high conviction, actively managed global securities fund. The fund consists of 35-40 high quality multi-national companies from around the world. Each company must comply with our stringent requirements for quality, growth and attractive valuation.

What possible risks are associated with this fund?

General market risks include a rise or volatility in bond yields, rising interest rates, economic and political risk, inflation uncertainty and duration risk. Where foreign securities are included in the portfolio there may be additional risks, such as potential constraints on liquidity and the repatriation of funds, macro-economic risks, political risks, tax risks, settlement risks, and potential limitations on the availability of market information.

Risk rating

Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive
--------------	-------------------------	----------	-----------------------	------------

What is the suggested investment period for this fund?

Minimum period

1 Month	6 Months	1 Year	3 Years	5 Years	7 Years
---------	----------	--------	---------	---------	---------

Who should consider investing in this fund?

As this is a well-managed balanced portfolio, with the objective of delivering strong risk adjusted returns over time, this fund will suit investors that are looking for stable income and reasonable capital growth over the longer term.

Income

Distribution Net income is calculated and accrued daily and is declared and distributed semi-annually.

Due to the nature of this portfolio it is unlikely that any net income will be available for distribution.

Declaration 30 June, 31 December

General fund information

Manager(s) Etienne Vlok and Justin Maloney
Size (NAV) R 111.11 million
Classification Global - Equity - General
Benchmark MSCI AC World Net
Regulation 28 Does not apply

	Class A	Class B1
Launch	07 November 2016	07 November 2016
ISIN number	ZAE000227823	ZAE000227815
JSE code	MDGEA	MDGB1
Minimum investment requirements -		
Lump sum	R 10,000	R 10,000
Monthly	R 500	R 500

What are the costs to invest in this fund?

Maximum charges including VAT

	Class A	Class B1
Initial fee (manager)	0.000%	0.000%
Initial fee (adviser)	3.450%	3.450%
Annual fee (manager)	2.070%	1.495%
Annual fee (adviser)	0.575%	0.000%
Performance fee	N/A	N/A

Annual fee (manager) – this is a service charge (% based) applicable to each class of a fund, that is levied on the value of your portfolio and includes the **Annual fee (adviser)** fee (where applicable). Annual fees are calculated and accrued daily and recovered monthly from the income awaiting distribution in the fund.

Cost ratios (annual) including VAT as at 30 June 2018

	Class A	Class B1
Based on period from:	01/11/2016	01/07/2015
Total Expense	3.04%	2.47%
Transaction Costs	0.00%	0.00%
Total Investment Charge	3.04%	2.47%
1 Year Total Expense	2.26%	1.70%

Total Expense (TER): This ratio shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated over the period shown and annualised to the most recently completed quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER should not be regarded as an indication of future TERs.

Transaction Costs (TC): This ratio shows the percentage of the value of the fund incurred as costs relating to the buying and selling of the fund's underlying assets. TC are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, investment decisions of the investment manager and the TER.

Total Investment Charges (TIC): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct the TIC from performance figures, the performance is already net of the TIC.

Melville Douglas STANLIB Global Equity Feeder Fund

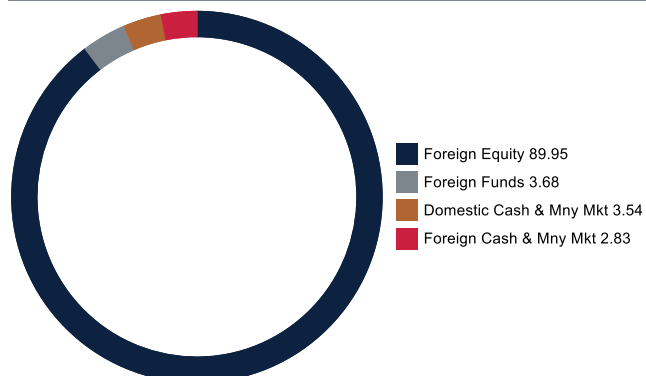
Monthly update at 31 August 2018

Holdings

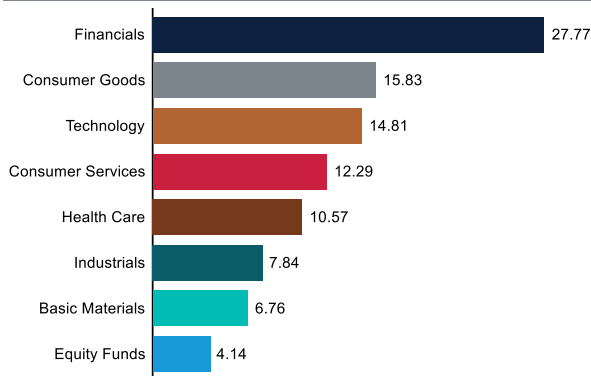
Holdings (%)

Melville Douglas Select Fund Ltd Global Equity X	96.42
Domestic Cash	3.18
Foreign Cash	0.40

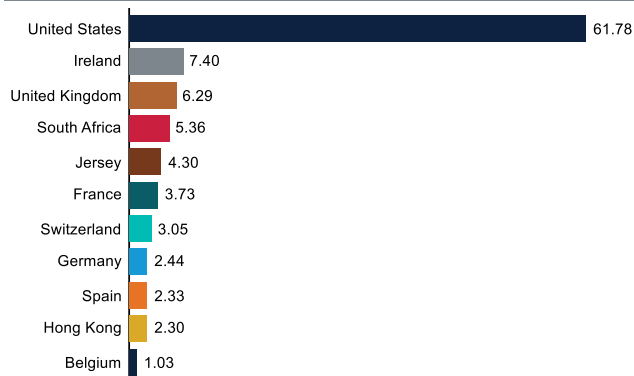
Asset allocation (look through) (%)



Equity allocation (Industry) (look through) (%)



Country allocation (look through) (%)



Performance and Income

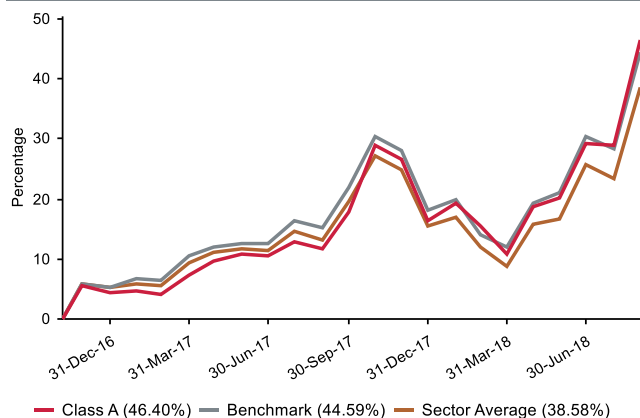
Class A Launch: 07 November 2016 Class B1 Launch: 07 November 2016

Benchmark: MSCI AC World Net

Returns (%)	3m	6m	9m	1yr	Launch
Class A					
Class	21.70	26.64	15.68	31.08	23.37
Rank/Out of	9/57	15/56	8/55	4/54	11/48
Sector Average	18.56	23.34	10.92	22.21	19.79
Benchmark	19.46	26.79	12.81	25.59	22.52
Class B1					
Class	21.88	27.00	16.18	31.85	24.09

Returns (%) shown are cumulative for all periods shorter than or equal to 1 year and annualised for all periods greater than 1 year.

Cumulative performance (%) from Launch



Statistics (%)	1yr	Launch
Class A		
Positive Months	7	12
Max Gain	32.16	46.43
Max Drawdown	-14.02	-16.78
Highest	31.08	31.08
Lowest	3.30	3.30
Class B1		
Highest	31.85	31.85
Lowest	3.91	3.91

Highest - this reflects the highest 12 month return during the period.

Lowest - this reflects the lowest 12 month return during the period.

Amount declared (cents per unit)

	Class A	Class B1
29 December 2017	0.00	0.00
29 June 2018	0.00	0.00
In last 12 months	0.00	0.00
In 2017	0.00	0.00

Who are the investment managers?

Since 1983 Melville Douglas has been delivering superior investment returns across a number of asset classes. As a global boutique investment management company within the Standard Bank Group, we are uniquely positioned to offer domestic and offshore investment solutions. What truly sets Melville Douglas apart is our experienced investment team and our approach to investing – driven by balance, a long-term view and a commitment to fundamental research – which informs our investment decisions across the board.



Etienne Vlok
BCom (Hons), CA (SA), CFA
Fund Manager

Etienne joined Melville Douglas in 2010. He is the co-manager of the Melville Douglas Select Global Equity Fund. He is also the lead analyst for the domestic and global IT and media sectors. Etienne holds a BCom Acc (Hons) from the University of Pretoria, CA (SA), and is a CFA® Charterholder.



Justin Maloney
BSc (Hons), CFA, CWM
Fund Manager

Justin joined Melville Douglas in 2014 and has over 23 years investment experience. He co-manages the Melville Douglas Global Equity Fund and covers the consumer discretionary and staples sectors. Justin also manages the investments of a number of high-net-worth clients. He holds a First Class Honours BSc degree in Business, is a CFA® Charterholder and a Chartered Wealth Manager. He previously worked as a global equity fund manager in London at Sanlam FOUR and Foreign & Colonial. Justin is based in Jersey.

Fund review

Over the quarter the A-class shares were up +0.32% (B: +0.20%; C: +0.27%; X: +0.58%). This compares with +0.53% return on the MSCI All Country World index.

Negative sector selection slightly outweighed a positive contribution from stock picking. The primary detractor relative to the index was the fund's structural underweight to energy stocks, which were spurred higher by the rally in the Brent crude oil price from \$70 to \$80 per barrel. The best performing stocks were UnitedHealth (positive results and upped quarterly dividend), Experian (consumer business turnaround) and MasterCard/Visa (strong underlying transaction volume growth). The largest underperformers were Banco Santander (impacted by political uncertainty in Italy and Spain), Starbucks (weak same store sales in the US and China) and iShares Emerging Markets ETF (US dollar strength and slower growth in the region).

Market overview

Global equities ended the second quarter marginally up. Investors were initially upbeat, bolstered by US corporations reporting the fastest rate of earnings growth for almost eight years. Earnings beats, higher oil prices and the prospect of an extended US business cycle enabled technology, energy and consumer discretionary to outperform. Politics was a fly-in-the-ointment. The chaotic formation of an anti-EU government in Italy and an escalation of the US-China trade war helped to erase earlier gains. Investors were further unnerved by hawkish statements from the Federal Reserve and European Central Bank indicating a gradual withdrawal of liquidity support for financial markets.

Looking ahead

By year end, global central bank liquidity will shrink for the first time since the 2008 financial crisis. Without a valuation agnostic buyer, investors are being forced to reconsider the price they pay to take risk. The withdrawal of US dollar liquidity by the Federal Reserve is already exerting stress upon some emerging economies with high levels of dollar dependence. Within equity markets an early casualty has been stable dividend paying "bond proxy" stocks, which are becoming increasingly less appealing when the alternative is to switch into virtually risk-free three-month LIBOR cash yielding 2.3% and rising. For now, investors are rewarding companies that can deliver healthy earnings growth. As such the fund has incrementally added to pro-cyclical names, including a Spanish bank and a US car mechanic tool maker, where we find valuations and growth that stack up against a higher interest rate environment.

Over the past two years, economists have transferred their anxieties from deflation to overheating economies. Fortunately, this later stage of the business cycle is not incompatible with higher equity returns so long as earnings growth remains on an upward trajectory and inflation does not spiral out of control, both of which we expect. The catch is that long term returns will be less than what we have been used to given elevated valuations, ageing populations, lower productivity and high levels of sovereign debt.

The commentary gives the views of the portfolio manager at the time of writing. Any forecasts or commentary included in this document are not guaranteed to occur.

Change in allocation of the fund over the quarter

Asset type	Q2 2018	Q1 2018	Change
Domestic Cash & Mny Mkt	1.83	75.85	-74.02
Foreign Equity	98.17	24.15	74.02

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	129.15	2,474,190.06	3,195,342.55
B1	Retail	130.38	11,249,130.58	14,666,518.29

All data as at 30 June 2018.

Units – amount of participatory interests (units) in issue in relevant class.

Disclosures

Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending.

The Melville Douglas STANLIB Global Equity Feeder Fund is a portfolio of the STANLIB Collective Investment Scheme (the Scheme).

The manager of the Scheme is STANLIB Collective Investments (RF) (Pty) Limited (the Manager). The Manager is authorised in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 (CISCA) to administer Collective Investment Schemes (CIS) in Securities. Liberty is a full member of the Association for Savings and Investments of South Africa (ASISA). The Manager is a member of the Liberty Group of Companies. The manager has a right to close a portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate. The Manager does not provide any guarantee either with respect to the capital or the return of a CIS portfolio. A schedule of fees and charges and maximum commissions is available on request from the Manager.

The trustee of the Scheme is Standard Chartered Bank.

The investments of this portfolio are managed, on behalf of the Manager, by Melville Douglas Investment Management (Pty) Ltd, an authorised financial services provider (FSP), FSP No. 595, under the Financial Advisory and Intermediary Services Act (FAIS), Act No. 37 of 2002.

Prices are calculated and published on each working day, these prices are available on the Manager's website (www.stanlib.com) and in South African printed news media. This portfolio is valued at 15h00. Forward pricing is used. Investments and repurchases will receive the price of the same day if received prior to 15h00.

This portfolio is permitted to invest in foreign securities. Should the portfolio include any foreign securities these could expose the portfolio to any of the following risks: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information.

This portfolio is a Feeder Fund portfolio. A Feeder Fund portfolio is a portfolio that invests in a single portfolio of a collective investment scheme, that levies its own charges, which could result in a higher fee structure for the Feeder Fund.

This portfolio is a third party named, co-named portfolio. The Manager retains full legal responsibility for this portfolio. A third party named, co-named portfolio is a portfolio bearing the name of both the Manager and the financial services provider (FSP) where the FSP, under an agreement with the Manager, undertakes financial services of a discretionary nature, as contemplated in the Financial Advisory and Intermediary Services Act, Act No. 37 of 2002 (FAIS), in relation to the assets of the portfolio. Melville Douglas Investment Management (Pty) Ltd, an authorised FSP, FSP No. 595, FAIS, is the third party manager of this portfolio.

The FSP is a related party to the Manager, the FSP may earn additional fees other than those charged by the Manager. It is the responsibility of the FSP to disclose additional fees to the investor. This document is not advice, as defined under FAIS. Please be advised that there may be representatives acting under supervision.

All performance returns figures quoted are shown in ZAR and are based on data sourced from Morningstar or Statpro and are as at 31 August 2018.

Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period. Actual annual figures are available on request from the Manager.

Portfolio performance figures are calculated for the relevant class of the portfolio, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ due to initial fees, actual investment date, date of reinvestment of income and dividend withholding tax. Portfolio performance accounts for all costs that contribute to the calculation of the cost ratios quoted, all returns quoted are after these costs have been accounted for.

Statistics - Positive Months: the number of individual 1 month periods during the specified time period where the return was not negative; Max Gain: the maximum gain in a trough-to-peak incline before a new trough is attained, quoted as the percentage between the trough and the peak. It is an indicator of upside risk over a specified time period (quoted for all periods of 1 year or longer); Max Drawdown: the maximum loss in a peak-to-trough decline before a new peak is attained, quoted as the percentage between the peak and the trough. It is an indicator of downside risk over a specified time period (quoted for all periods of 1 year or longer, where blank no loss was experienced); Highest and Lowest: the highest and the lowest 1 year return (%) that occurred during the specified time period (quoted for all relevant classes launched 1 year or more prior to current month end date).

Additional information about this product including, but not limited to, brochures, application forms and annual or quarterly reports, can be obtained free of charge, from the Manager and from the Manager's website (www.stanlib.com).

Contact details

Manager

STANLIB Collective Investments (RF) (Pty) Limited
Reg. No. 1969/003468/07
17 Melrose Boulevard, Melrose Arch, 2196
Telephone: 0860 123 003
Email: fundfactsheets@stanlib.com
Website: www.stanlib.com

Trustee

Standard Chartered Bank
Reg. No. 2003/020177/10
5th Floor, 4 Sandown Valley Crescent, Sandton, 2196
Telephone: +27 (0)11 217 6600

Third Party Manager

Melville Douglas Investment Management (Pty) Ltd
An authorised financial services provider, FSP No. 595
Reg. No. 1987/005041/07
8th Floor West Wing, 30 Baker Street, Rosebank, 2196
Telephone: +27 (0)11 721 7964
Website: www.melvilledouglas.co.za