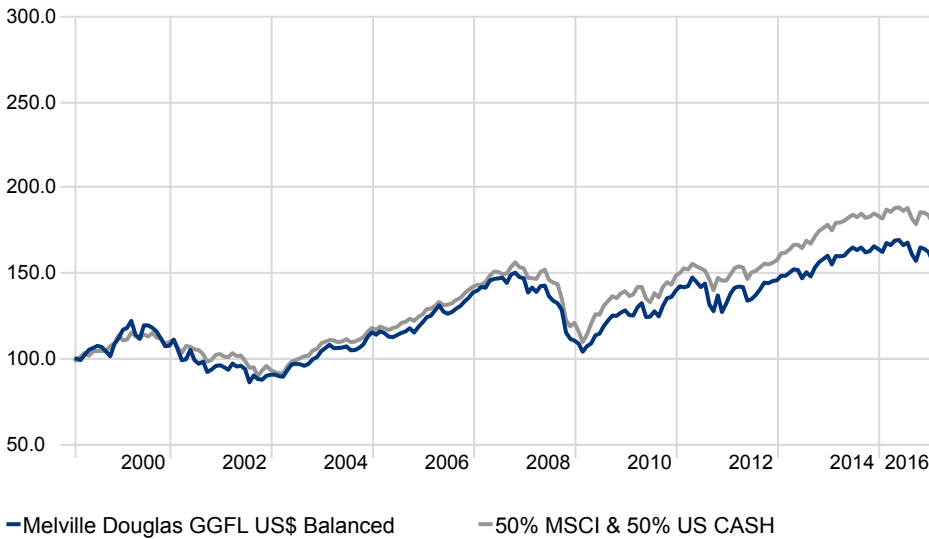


Investment Growth\*\*\*



Investment Objective

The objective is to provide long term capital growth in US Dollar terms by investing in a balanced portfolio of globally diversified equity and fixed income.

Holdings

Funds	Weighting %
Melville Douglas Select Fund Ltd Gbl Eq	31.9
Melville Douglas IFL US\$ Income	15.9
Fidelity ILF - USD A Acc	12.9
Standard Bank IFL MM Absolute Return USD	10.3
Vulcan Value Equity USD II Acc	9.7

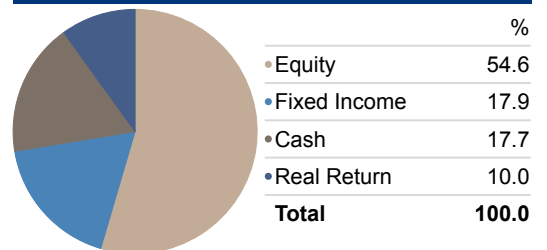
Trailing Returns\*\*\*

	1 Month	YTD	1 Year	3 Years	5 Years
Melville Douglas GGFL US\$ Balanced	-3.72	-3.72	-3.86	1.68	1.87
50% MSCI & 50% US CASH	-2.97	-2.97	-1.96	3.31	3.49

Risk Matrix \*

	Fund	Benchmark
Information Ratio (arith)	-0.78	
Std Dev	7.32	5.63
Sharpe Ratio **	1.62	1.84
Best Month (In Last 3 Years)	5.00	3.93
Worst Month (In Last 3 Years)	-4.06	-3.29

Asset Allocation



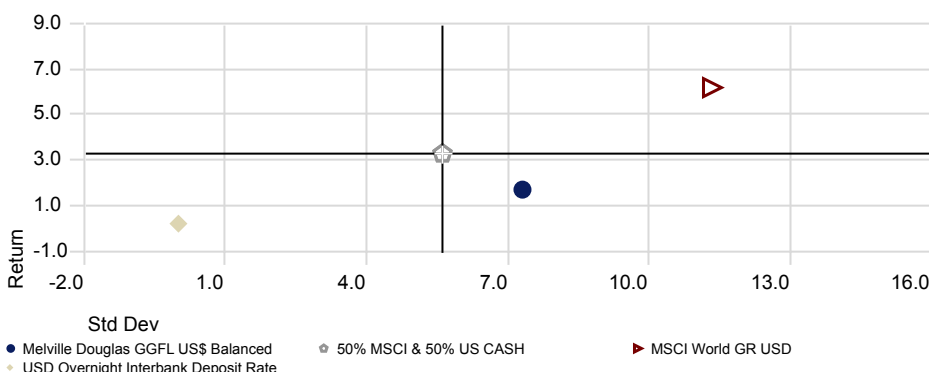
Monthly Returns\*\*\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-3.72												
2015	-1.08	3.22	-0.74	1.62	0.15	-1.75	0.89	-4.06	-2.41	5.00	-0.54	-1.19	-1.22
2014	-3.19	3.18	-0.11	0.22	1.73	1.24	-0.90	0.92	-1.73	0.42	1.76	-0.92	2.47
2013	1.87	-0.12	1.27	1.31	-0.22	-3.23	2.43	-1.66	3.49	2.14	1.13	1.23	9.87
2012	4.38	2.48	0.50	-0.27	-5.57	0.65	1.84	2.38	2.79	-0.20	0.86	0.29	10.25
2011	1.88	-0.44	0.50	3.53	-1.78	-2.06	1.50	-8.55	-2.97	7.24	-7.12	3.95	-5.33

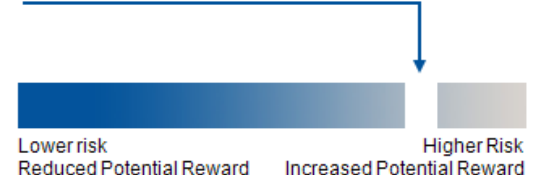
Operations

Month End Price Date	2016/01/31
Month End Price (USD)	153.00
Fund Size	87 932 002.00
Minimum Investment (USD)	10 000
Manager Name****	Multiple

Risk-Reward \*



Risk Profile



Not to be distributed within the European Union

\* Data is displayed over a 3 year rolling period  
 \*\* US Treasury 1-Bill 3 Mon  
 \*\*\* Information compiled using Morningstar based on the most recent published information available to Morningstar at the end of the relevant period. This information is for illustrative purposes only.  
 \*\*\*\* Jerome O'Regan & Bernard Drotschie  
 Source: Morningstar Direct, Fund Solutions

## Melville Douglas Global Growth Fund Ltd - USD Balanced Class

### Quarterly Commentary 31 Sep 2015 - 31 Dec 2015

The fund's return for the quarter ending 31 Dec 2015 was +3.18%. The fund's benchmark is 50% MSCI World and 50% US dollar cash. The benchmark return was +2.83% for the same period under review.

Global equities recovered much of the ground lost in the third quarter triggered by the devaluation of the Chinese currency. Once again central banks came to the market's rescue with the People's Bank of China cutting interest rates, easing capital requirements for the Chinese banking sector and intervening to support the renminbi. The European Central Bank also signalled further stimulus, which was confirmed in December with a rate cut and a six month extension to its quantitative easing programme. However, all of the quarter's gains came in October. The remaining two months of the year were buffeted by global growth concerns and by uncertainty over the timing of the Federal Reserve's first rate rise in almost a decade. Unsurprisingly, December's US rate hike boosted the dollar to 12 year highs on a trade weighted basis, pressured commodities priced in dollars and lowered US Treasury bond prices. Manager selection detracted from performance, but this was more than offset by an overweight exposure to risk assets; and was the primary driver of outperformance relative to benchmark. The top contributors to performance were the MD Global Equity Fund and the Allianz European Growth Fund. The largest detractors to performance included the two North American funds, namely Vulcan Value and WP Stewart. Holdings.

Global equities had a less than auspicious start to 2016. The MSCI All Countries World index plunged -9% by mid-January on resumed concerns about China. What to expect for the rest of 2016? With waning support from the Federal Reserve to prop up markets there are plenty of catalysts to fuel a volatile year: China, Eurozone, Brexit, geopolitics, US rate hike uncertainty, emerging markets to name a few. Contrarians would argue markets climb a wall of worry.

Our view is that you should expect more of the same trends of 2015 in 2016, namely elevated valuations, US monetary tightening, sluggish corporate earnings growth and slower Chinese/emerging markets growth. However, even this relatively modest growth rate is a stretch if there is no improvement in the global macroeconomic backdrop and the base effects will not be meaningful if the oil price continues to weaken and the US dollar strengthens.

In addition, US equity valuations (in aggregate) remain above average levels on most historic yardsticks, albeit not in bubble territory, and therefore a multiple re-rating will be difficult against a rising US rate cycle. Valuations are more attractive in Europe, Japan, emerging markets and the UK but this is counterbalanced by cyclical (no more commodity super-cycle) and structural (Eurozone existential issues, ageing demographics) headwinds. The flagging Chinese economy, and its implications globally, will continue to weigh on markets. The recalibration from infrastructure-led growth to more sustainable domestic consumption, cutting overcapacity and reducing high debt levels are necessary adjustments and will take some time. In short, expect another choppy year.

As such, we have reduced the overweight exposure to equities in January 2016 by 5% to reflect a slower and more uncertain growth outlook in the medium term. Global equities continues to be our favoured asset class given the paucity of returns elsewhere. We view bonds as expensive and find cash very unattractive at current levels of interest rates.

We will continue to manage the fund on the basis of the balance of risks we can see, and most importantly on the basis of valuation and margin of safety.

### Other Fund Facts

Manager	STANLIB Fund Managers Jersey Limited
Investment Manager	Standard Bank International Investments Limited
Custodian	Capita Trust Company (Jersey) Limited
Auditors	PwC, Ireland
Fund Directors	H Holmes, GS. Baillie, M. Farrow, and O Sonnichler
Registered Office	47-49 La Motte Street, St Helier, Jersey
Launch Date	21 June 1998
Total Expense Ratio (TER)	0.23% (Rolling 12 Months)

### Contact Details

Contact Person:	Andrew Palmer
Telephone:	+27 (11) 721 8012
E-Mail:	andrew.palmer@standardbank.co.za

### Statutory disclosure and general terms and conditions

This document does not constitute an offer to buy or a solicitation of an offer to buy or sell shares of the Fund in any jurisdiction in which an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer of solicitation and is for information purposes only. Subscriptions will only be received and shares issued on the basis of the current prospectus and prospective investors should carefully consider the risk warnings and disclosures for the Fund set out therein. The value of shares may go down as well as up and investors may get back less cash than originally invested. Past performance is not necessarily a guide to future performance. An investment in the shares of the Fund is not the same as a deposit with a banking institution. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Please refer to the prospectus for more details on the charges and expenses that may be recovered from the Fund. Shares are priced weekly. Telephone calls may be recorded. Capita Trust Company (Jersey) Limited, STANLIB Fund Managers Jersey Limited, Standard Bank International Investments Limited are regulated by the Jersey Financial Services Commission. The fund is also regulated by the Jersey Financial Services Commission.

A Representative Agreement exists between Standard Bank International Investments Limited and Melville Douglas Investment Management (Pty) Ltd appointing Melville Douglas Investment Management (Pty) Ltd as the sole representative for the investment management functions performed in South Africa. Melville Douglas Investment Management (Pty) Ltd is a company registered in South Africa with company number 1987/05041/07, and a subsidiary of Standard Bank Group Limited. Melville Douglas Investment Management (Pty) Ltd is licensed as a financial services provider in terms of Section 8 of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002).

Fund Prospectus, application forms as well as annual and interim financial statements, are available at [www.standardbank.com/privateclients](http://www.standardbank.com/privateclients)

Source: Morningstar Direct, Fund Solutions