

Melville Douglas STANLIB Dynamic Strategy Fund

Minimum Disclosure Document as at 30 November 2015

Investment Objectives

The portfolio's main objective is to achieve high growth of capital and income, a reasonable level of current income and relative stability for capital invested. The portfolio comprises a mix of financially sound securities of companies listed on exchanges and non-equity securities. The portfolio will from time to time be invested in securities to the maximum permitted by the Act, or will be invested in non-equity securities to the maximum permitted by the Act, or any combination of the above. This portfolio may also include participatory interests of other collective investment schemes. The portfolio may have a maximum of 20% direct and/or indirect foreign exposure.

Investment Philosophy

Our investment philosophy is focused on maintaining the capital entrusted to us in real terms and to deliver superior risk-adjusted returns. Our approach is largely restricted to quality fixed income securities, cash or cash linked instruments. We are long-term investors and the decision making process involves a continuous assessment of a number of top-down and bottom-up factors that affects the prices of fixed income securities.

Portfolio Facts

Portfolio Size	136.42 million
Sector Classification	South African - Multi Asset - Flexible
Income Distribution	Net revenue is declared on a daily basis and distributed bi-annually
Income Declaration	30 June & 31 December
Benchmark	FTSE/JSE All Share Index 55%; BEASSA All Bond Index 15%; MSCI World Index; (USD) 15%; STeFI Call Deposit Rate Index 15%

	Class A	Class B1
Launch Date	15 May 2002	31 December 2007

Minimum Investment		
Lump Sum	R 100 000	R 5 000
Debit Order Per Month	R 1 000	R 500

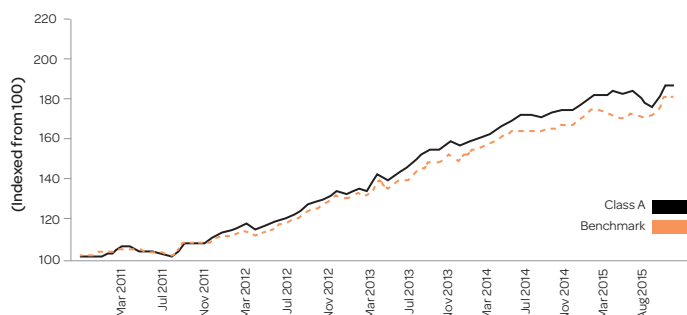
* Please refer to page 2 under "Statutory Disclosure and General Terms & Conditions"

** Additional Information can be obtained from Portfolio Charges Brochure on www.stanlib.com

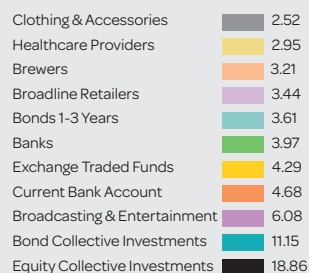
	Class A	Class B1
ISIN NO.	ZAE000039459	ZAE000112678
JSE Code	MDDS	Mddb1
Total Expense Ratio	1.87%	2.20%
Maximum Portfolio Charges		
Upfront Charge: Manager	0.00%	0.00%
Upfront Charge: Intermediary	1.50%	0.00%
Total Service Charge	1.50%	1.00%
Service Charge Intermediary Portion	0.50%	0.00%

* Currently the fund charges a fee of 0.35%

Cumulative Performance Since Inception



Sector (%)



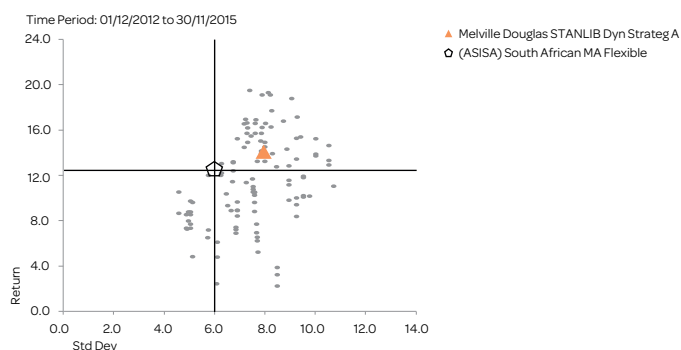
Performance (%)

	1 year	3 years	5 years	10 years	Since Inception
Class A	6.90	14.17	14.79	13.29	15.74
Sector	8.78	12.45	12.26	12.07	13.02
Benchmark	9.24	12.45	14.18	13.13	13.02
Rank (Class A)	37/64	21/53	13/46	8/28	N/A
Lowest Return Over 12 rolling months					-22.57
Highest Return Over 12 rolling months					49.17

Top Holdings (%)

Melville Douglas STANLIB Bond Fund	11.15
Nedbank Global Eq Feeder A	9.77
Coronation Global Managed Feeder Fund	9.09
Naspers Ltd	6.08
DB X-Trackers Msc World Index	4.29
Woolworths Holdings Ltd	3.44
SAB Miller Plc	3.21
Medi-Clinic Corp.	2.95
Compagnie Fin Richemont	2.52
BHP Billiton Plc	2.50

Risk Reward



Source: Morningstar Direct

Portfolio Risk and Term

Conservative	Moderate	Aggressive
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Income Distribution

	Paid in the last 12 months	Paid during 2014	2014 payments as a % of year end price
Class A	8.89 cpu	5.51 cpu	1.19%

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Franchise

The fund is prudently managed, with a flexible approach to asset allocation to reflect the balance of risks in investment markets and the economic environment at any given time. The core of the portfolio is its equity holdings, and careful selection of the companies the fund holds offers another significant opportunity to control the risk in the portfolio. Melville Douglas's approach to equity investment is rigorously based on an assessment of the industry growth prospects for each holding, and for the ability of the individual company to improve its industry position by skilful management and strategic positioning. The key characteristics of companies we prefer are the ability to convert revenue into cash on a reliable and sustainable basis; the ability of management to deploy that cash either in expansion or new projects that will achieve a return above the cost of capital; and a track record that demonstrates a willingness to return surplus cash and capital to shareholders. The investment process for non-equity asset classes is similar, with the understanding that the more non-equity assets the portfolio retains the less the likelihood of achieving a reasonable real return over time. We are also strongly focused on the price we pay; we believe strongly that the cost of purchase determines the return that can be achieved. Our focus is always long term and turnover in the portfolio is typically low.

Quarterly Comments

The quarter proved very volatile for financial markets, and equities declined very sharply in August. The key global events in the quarter were the devaluation of the Chinese currency and a clear deferment in the start of interest rate rises in the United States. Both had an adverse impact, because markets inferred (not incorrectly) that growth is weaker than expected and that the phase of disruption for emerging markets still has further to go. Volatility rose not only because of growth, but because the policy outlook became more uncertain as well. The US central bank suddenly broadened its range of important inputs from domestic labour and inflation issues to include global market volatility; the Chinese devaluation was bungled and badly communicated and created more uncertainty as to policy targets and their effectiveness. The fallout was felt particularly severely on commodity shares and currencies, though most of the damage to commodity prices had already taken place. The JSE was down 2.1% for the quarter, but the resources index was down 18%. Rand weakness (-12% over the quarter against the US dollar and the Euro) did not help mining shares. Most equity markets around the world are down between 5 and 20% for the year so far in dollar terms, and emerging markets have suffered the most. Emerging markets are particularly badly caught between reduced demand from China, a more aggressive competitive environment, and the fact the global trade (exports) are weak but the financing costs are rising (corporate borrowing costs in US dollars have jumped sharply). South Africa is on the receiving end of most of these trends, and the difficulties in its manufacturing sector reflect global problems. In SA, weak policy-making exaggerates the impact.

We expect the underlying economic data to improve, particularly in the US and Europe, but at the same time the path for corporate profitability as this improvement gets under way is less certain. Arguably, the key reason for market weakness this year has been earnings disappointment. Now, as the US cycle starts to lead to higher wage and other input costs, the prospects for corporate margins are even less certain. In addition, the interaction with financial factors (less benign interest rates, at least in the US, and more highly geared balance sheets) will be less favourable. Globally, equities remain the asset class most likely to produce adequate real returns, but valuations are no longer cheap and careful stock selection will be key. Domestically, equity remains highly valued and so we expect the portfolio will remain underweight domestic equity and overweight offshore equity.

Portfolio Manager

Jerome O'Regan

Jerome is Melville Douglas's Chief Investment Officer and has been involved in investment markets since 1984. Among other positions he has held are head of research at Fleming Martin and STANLIB, and Chief Investment Officer at SCMB Asset Management. He holds an MBA from UCT and is a Chartered Financial Analyst.

Susan Gawith

Susan is an executive Portfolio manager at Melville Douglas. She worked in retail before moving to financial markets in 1999 and was a rated retail analyst at Cazenove. She has a BSc TRP and an MBA from UCT.

Fund Features

A well-managed balanced portfolio, with the objective of delivering strong risk adjusted returns over time.

Risk

The risk in the fund is controlled by its tactical asset allocation and the quality of its equity holdings. The equity selections and weightings are based on the conviction that it is not necessary to accept all of the volatility risk inherent in the market, and that prudent selection and diversification can achieve superior results over time. This does not isolate the portfolio entirely from market risks such as

- Interest rate fluctuations which affect the yields on cash and money market investments as well as the prices of bonds
- Adverse changes in global and domestic economic conditions
- Currency volatility and exchange rate risks We strive to anticipate as many risks as possible by adjusting the portfolio's holdings to reflect the balance of those risks; but equally importantly the long term view must be that investment return is in part the reward for the risks that are taken, and some risk exposure is essential to achieve the fund's long term goals.

Statutory Disclosure and General terms & Conditions

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 the future. An investment in the participations of a CIS in securities is not the same as a deposit with a banking institution. CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from STANLIB Collective Investments Ltd (the Manager).

Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Liberty is a full member of the Association for Savings and Investments of South Africa. The Manager is a member of the Liberty Group of Companies. The Manager carries full responsibility for this third party portfolio. This portfolio is valued on a daily basis at 15h30. Investments and repurchases will receive the price of the same day if received prior to 15h30.

The Total Expense Ratio (TER) of a portfolio is a measure of the portfolio's assets that were relinquished as operating costs expressed as a percentage of the daily average value of the portfolio calculated over a period of usually a financial year. Typical expenses which are deducted from a portfolio include service charges, taxes, trustee fees and audit fees.

Additional information about this product, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge, and from the website: www.stanlib.com. The prices of unit trust funds are calculated and published on each working day. These prices are available on the Manager's website and in the South African printed news media.

Contact Details

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