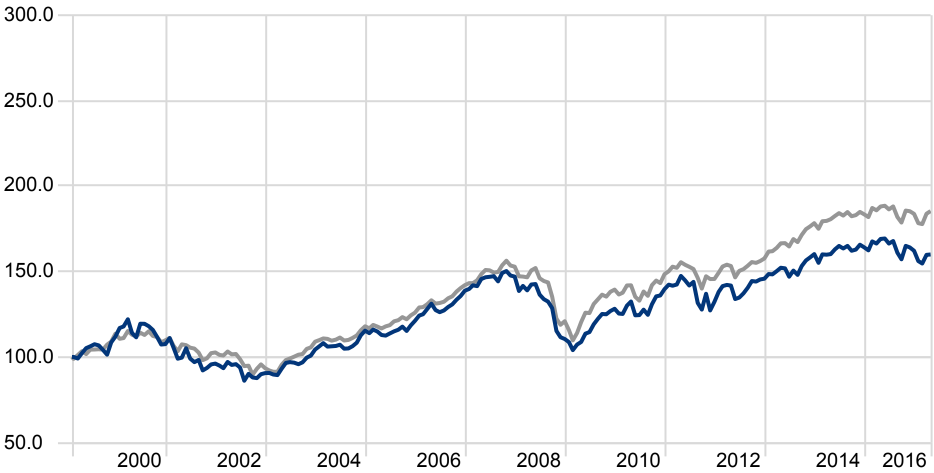
# Melville Douglas Global Growth Fund Ltd
# USD Balanced Class

**April 2016**

MELVILLE DOUGLAS
Wealth and Investment | Standard Bank

## Investment Growth***




MD Global Growth Ltd US$ Balanced    50% MSCI & 50% US CASH

## Trailing Returns***

| | 1 Month | YTD | 1 Year | 3 Years | 5 Years |
|---|---|---|---|---|---|
| MD Global Growth Ltd US$ Balanced | 0.14 | -1.34 | -5.38 | 1.67 | 1.65 |
| 50% MSCI & 50% US CASH | 0.85 | 0.88 | -1.43 | 3.65 | 3.59 |
| (ASISA) Global MA Flexible | 1.53 | 1.65 | -6.22 | 1.49 | 1.78 |

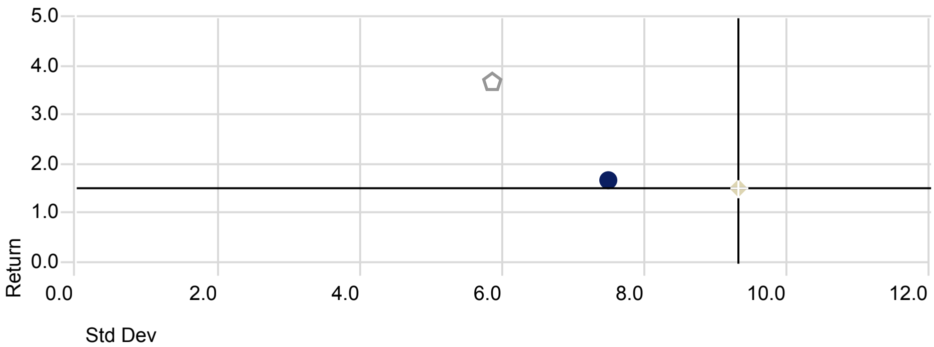
## Risk Matrix *

| | Fund | Benchmark | Cat Avg |
|---|---|---|---|
| Information Ratio (arith) | -0.92 | | -0.49 |
| Std Dev | 7.51 | 5.86 | 9.32 |
| Sharpe Ratio ** | 1.06 | 1.28 | 1.04 |
| Best Month (In Last 3 Years) | 5.00 | 3.93 | 6.23 |
| Worst Month (In Last 3 Years) | -4.06 | -3.29 | -6.12 |

## Monthly Returns***

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2016 | -3.72 | -0.92 | 3.27 | 0.14 | | | | | | | | | |
| 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 |

## Risk-Reward *




● MD Global Growth Ltd US$ Balanced    50% MSCI & 50% US CASH    (ASISA) Global MA Flexible

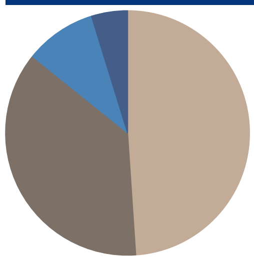
## Investment Objective

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 % |
|---|---|
| MD Select Ltd Global Equity | 41.8 |
| Fidelity ILF - USD A Acc | 36.8 |
| MD Income Ltd US$ Income | 9.5 |
| SBIFL Multi Manager Absolute Return USD | 4.8 |
| Threadneedle Eurp Sel ZNA | 3.1 |

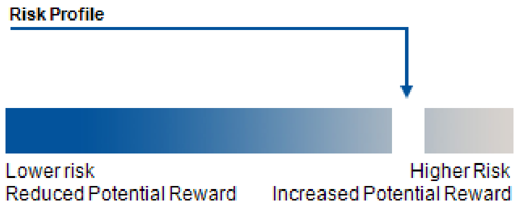
## Asset Allocation



| | % |
|---|---|
| Equity | 48.9 |
| Cash | 36.8 |
| Fixed Income | 9.5 |
| Real Return | 4.8 |
| **Total** | **100.0** |

## Operations

| | |
|---|---|
| Month End Price Date | 2016/04/30 |
| Month End Price (USD) | 156.78 |
| Fund Size | 92 717 741.00 |
| ISIN | JE00B559P010 |
| Minimum Investment (USD) | 10 000 |
| Manager Name**** | Multiple |




**Not to be distributed within the European Union**

* Data is displayed over a 3 year rolling period
** US Treasury T-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 Dec 2015 - 31 Mar 2016

A flat quarter for global equity markets masked a very volatile start to the year, with double-digit declines by mid-February. There was no shortage of concerns and global growth, the dramatic decline in the oil price, funding questions over emerging market debt and fears of a deflationary spiral from the disorderly devaluation of the Chinese renminbi all weighed on markets over the period. A number of factors have contributed to the improvement in market sentiment since the lows reached in early February. Deflationary concerns caused by a stronger US Dollar and low commodity prices have eased somewhat and the cyclical slowdown in economic growth experienced during the fourth quarter of 2015, appears to have run its course. Recent data and surveys out of the US point to a pick-up in economic activity with some improvement noted in the manufacturing industry. Employment trends remain positive and lending growth continues to gather pace. In addition, a more subdued pace of US monetary tightening has supported rallies in risk assets. The sustainability of this improvement in sentiment remains questionable. Although equity markets have rebounded very strongly, bond markets remain unconvinced with yields currently lower than what they were at the beginning of the year; an indication of slow growth ahead. The unexpected weakness in the USD contributed to an increase in oil and certain commodity prices. Commodity producing countries such as Brazil, Canada and Australia have all benefited from appreciating currencies and stronger equity markets. In addition, emerging market currencies and bonds also benefited from low and in some cases negative interest rates in developed economies. Developed market investors are being "forced" to allocate capital to riskier high yielding investments such as bonds in emerging markets. For Japan and Europe, the opposite is unfortunately true. Negative interest rates coupled with stronger currencies (at least against the USD) will make the recovery more challenging to sustain. Multinational and financial firms in particular will experience pressure in earnings growth and explains why both regions have lagged global equity markets more recently.

The fund's return during the first quarter was -1.48% against the benchmark of 0.03%. The initial overweight position to equity coupled with a regional overweight in Europe were the main detractors from performance. Fund selection also contributed negatively as most of the underlying equity funds underperformed their respective benchmarks in a challenging environment for fund managers with a quality bias.

We expect economic growth globally to remain subdued in the medium term. Valuations have also become less supportive for equities and bonds, and we have as such reduced the fund's exposure to both asset classes in favour of USD cash. The equity allocation is currently neutral to benchmark.

Global growth remains unbalanced and equity markets volatile. That said, volatility creates opportunities and we remain disciplined in assessing potential investments. We will remain focused on fundamentals and valuation rather than momentum, an approach which ultimately rewards investors well over time.

## 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 Sonnbichler |
| Registered Office | 47-49 La Motte Street, St Helier, Jersey |
| Launch Date | 21 June 1998 |

## Fund Costs

TER = 1.06%
TC = 0.01%
TIC = 1.07%

TER = (Total Expence Ratio)
TC = (Transaction Costs)
TIC = (Total Investment Cost ; TER + TC = TIC)

Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market and FX Costs (where Applicable).

## 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



Fund Prospectus, application forms as well as annual and interim financial statements, are available at www.standardbank.com/privateclients

Source: Morningstar Direct, Fund Solutions