Melville Douglas STANLIB Dynamic Strategy Fund

Minimum Disclosure Document as at 30 April 2016

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.

Investment Philosophy

Our investment philosophy is focused on maintaining the capital entrusted to us in real terms and to deliver superior risk-adjusted returns over time. A combination of macroeconomic and market-level data is used to determine class-level value and expected market and asset class outcomes. which determines tactical asset allocation. We engage in fundamental research to establish the intrinsic value of the investment opportunities available. We construct portfolios by buying superior businesses which generate strong and sustainable cash flows. and which have proven business models with known integrity and competence of management. The price we pay is determined by the intrinsic value and an appropriate margin of safety.

Portfolio Facts

Portfolio Size	R125.77 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

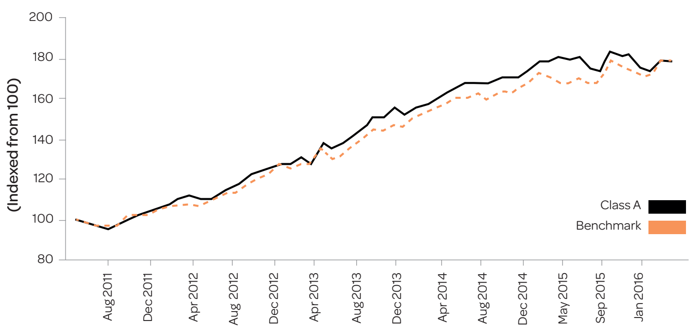
Minimum Investment		
Lump Sum	R 100 000	R 100 000
Debit Order Per Month	R 1 000	R 1 000

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

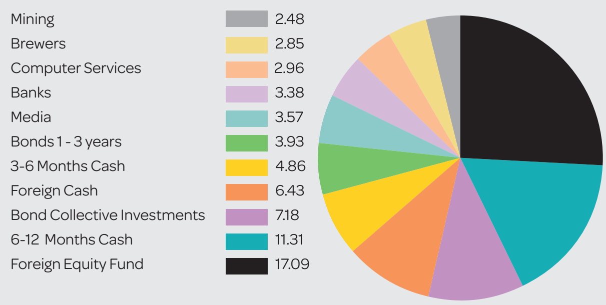
** Additional Information can be obtained from Portfolio Charges Brochure on www.stanlib.com

	Class A	Class B1
ISIN NO.	ZAE000039459	ZAE000112678
JSE Code	MDDS	MDDB1
Total Expense Ratio	1.79%	1.41%
Maximum Portfolio Charges		
Upfront Charge: Manager	0.00%	0.00%
Upfront Charge: Intermediary	0.00 - 3.00%	0.00 - 3.00%
Total Service Charge	1.50%	1.00%
Service Charge Intermediary Portion	0.50%	0.00%

Cumulative Performance Since Inception



Sector (%)



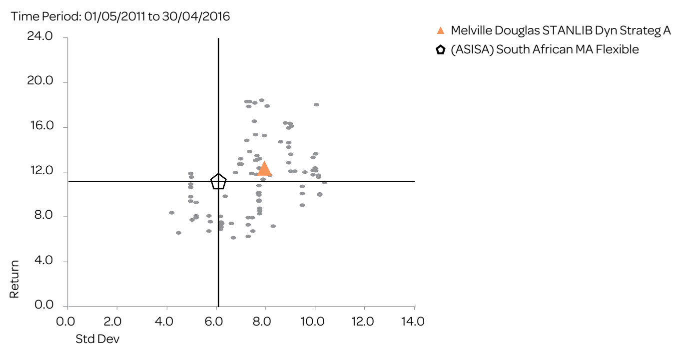
Performance (%)

	1 year	3 years	5 years	10 years	Since Inception
Class A	-3.83	11.23	12.34	10.78	14.98
Sector	0.41	10.08	11.47	9.82	12.89
Benchmark	3.75	12.98	13.10	11.68	12.82
Rank (Class A)	61/67	21/53	20/47	10/30	2/11
Lowest Return Over 12 rolling months					-22.57
Highest Return Over 12 rolling months					49.17

Top Holdings (%)

MD Global Equity Fund	17.09
Melville Douglas Stanlib Bond Fund	7.18
Melville Douglous Income Fund Limited - Usd Income	6.43
Naspers Ltd-N-	3.57
Billiton Plc	2.48
Aspen Pharmacare Holdings Limited	2.40
First Rand Limited	2.36
Mediclinic International Plc	2.28
Sasol Limited	2.22
British American Tobacco Plc	2.22

Risk Reward



Source: Morningstar Direct

Portfolio Risk and Term

Conservative		Moderate		Aggressive

Income Distribution

	Paid in the last 12 months	Paid during 2015	2015 payments as a % of year end price
Class A	7.21cpu	7.21 cpu	**1.49%**
Class B1	10.16cpu	10.16 cpu	**2.09%**

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Please refer to page 2 for more details regarding this portfolio as well as other important information for consideration

STANLIB Focused Investing

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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

After a very volatile final quarter of 2015, there was little respite in in the first quarter of 2016, though the overall direction was positive, backed by a stabilisation and in some cases marked improvement in economic data. The JSE delivered a return of 3.9% overall, but with very mixed underlying results and led by a soaring 18% return from the resources sector. This was helped by an improvement in some underlying commodity prices. Industrials were down slightly. The aftermath of the finance ministry debacle in December continued to play out, with the Treasury particularly vocal in its commitment to fiscal rectitude and restoring credibility. It demonstrated this clearly in the February budget which showed a faster path to lower deficits than previously. The rand pulled back from the very weak levels it had struck in December, but concerns over the inflationary impact remained. As a result the Reserve Bank felt compelled to implement a sharp interest rate increase and over the quarter the policy interest rate was pushed up 0.75%, a sharp reminder of the Reserve Bank's commitment to its inflation target. This is a key component in restoring the economy to an even keel and helping to avert the worst of the inflationary consequences of a weaker rand. Assisted by improvements in global data and supportive comments from developed market central banks, sentiment improved substantially by the end of the quarter.

Looking forward, challenges remain. Global monetary policy is theoretically supportive of markets, but with both Japan and Europe now implementing negative policy interest rates there may be limits to further support and it is already clear there can be unexpected consequences. In Japan, the currency strengthened very sharply after the implementation of negative rates, exactly the opposite of the intended outcome. In addition, the US economy is sufficiently strong that inflation is beginning to be evident, masked only by very low energy prices. Because interest rates are already arguably too low for the current combination of employment and inflation conditions, there is significant risk to the currently cautious implementation of interest rate increases. As the year goes by the tension between the need to raise rates domestically and the need to avoid the global dislocations that result from higher US dollar interest rates will become more evident. This means that we expect continued volatility; in addition, as is already evident, earnings growth is less certain. In addition there are a number of political events that could prove sources of volatility globally and domestically.

The fund generated a return of 0.6% vs the benchmark of 3.9% for the quarter. Most of the underperformance was generated by the underweight position to basic materials which returned 18.1% for the quarter. The fund remains defensively positioned given the global uncertainties and lack of growth globally. Diversification and valuation remain key given the lack of growth globally and specific risks domestically.

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

Contact Details

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Compliance No: HX2544

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Total Expense Ratio,Transaction Costs & Total Investment Charge

Total Expense Ratio (TER): This 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 a rolling three years (where applicable) 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 cannot be regarded as an indication of future TERs.

Transaction Costs (TC): The percentage of the value of the fund as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs 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): The percentage of the value of the Fund incurred as costs, relating to the investment of the Fund. As fund returns are reported after deducting all fees and expenses, these costs (the TER & TC) should not be deducted from the fund returns. It is the sum of the TC & TER.

TER and Transaction Costs Breakdown

FUND CLASS	TER	TC	TIC
Class A	1.79%	0.07%	1.86%
Class B1	1.41%	0.07%	1.48%

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)