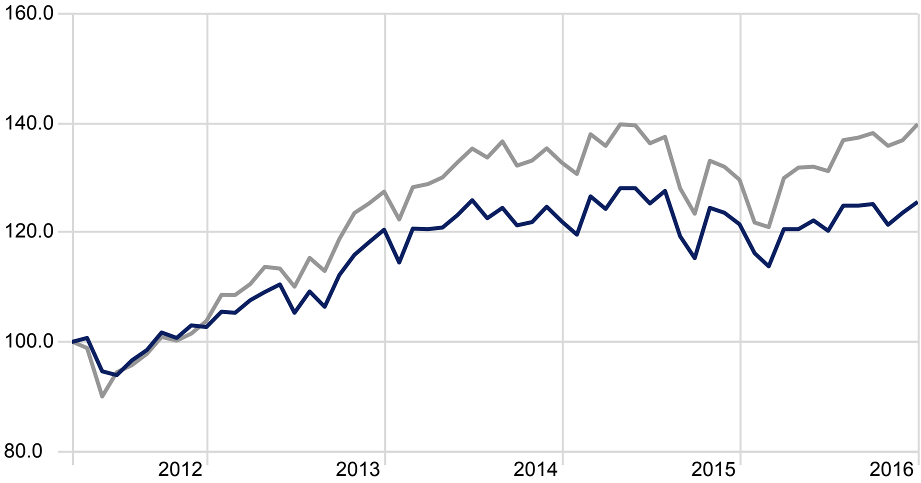
Melville Douglas Select Fund Ltd - Global Equity Class
Minimum Disclosure Document as at 31 December 2016

MELVILLE DOUGLAS

Investment Growth***



MD Select Ltd Global Equity   MSCI ACWI NR USD

Trailing Returns***

	1 Month	YTD	1 Year	3 Years
MD Select Ltd Global Equity A	1.6	3.4	3.4	1.4
MSCI ACWI NR USD	2.2	7.9	7.9	3.1

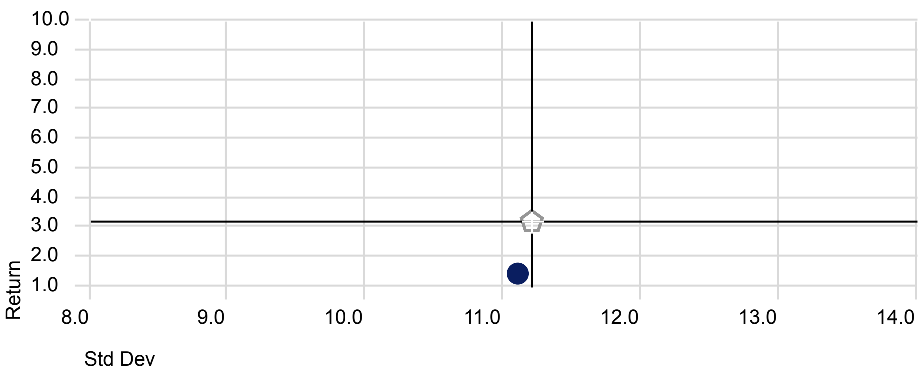
Risk Matrix *

	Class A	Benchmark
Information Ratio (arith)	-0.6	
Std Dev	11.1	11.2
Sharpe Ratio **	0.3	0.4
Best Month (In Last 3 Years)	8.0	7.8
Worst Month (In Last 3 Years)	-6.5	-6.9

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-4.4	-2.1	6.0	0.0	1.3	-1.6	3.8	0.0	0.2	-3.0	1.8	1.6	3.4
2015	-2.0	5.9	-1.8	3.1	0.0	-2.2	1.8	-6.5	-3.4	8.0	-0.7	-1.7	-0.4
2014	-5.0	5.4	-0.1	0.2	1.9	2.2	-2.6	1.5	-2.6	0.5	2.3	-2.2	1.2

Risk-Reward *



● MD Select Ltd Global Equity   MSCI ACWI NR USD

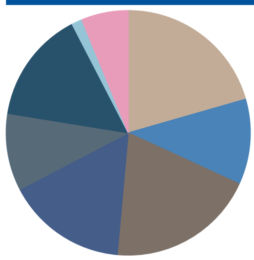
Investment Objective

To provide long-term capital growth by investing primarily in quoted global equities, that seek to maximise investment returns in US dollars.

Top 10 Holdings

	Weighting %
Visa Inc Class A	4.5
Wells Fargo & Co	4.2
iShares MSCI Japan	3.8
Microsoft Corp	3.7
JPMorgan Chase & Co	3.6
Starbucks Corp	3.5
Alphabet Inc A	3.4
Mastercard Inc A	3.4
Nike Inc B	3.3
Prudential PLC	3.2

Asset Allocation



	%
Information Technology	20.6
Health Care	11.3
Financials	19.6
Consumer Discretionary	15.9
Consumer Staples	10.2
Groups <5.0%	14.9
Cash	1.4
Industrials	6.2
Total	**100.0**

Operations

Price Date	2016/12/31
Month end price (USD)	$ 12.56
ISIN - Class A	JE00B6VH9P99
Fund AUM (m)	$ 184.6

Fund Managers

Bernard Drotschie
Bernard is Melville Douglas's Head of Equity and the lead manager on the Melville Douglas Global Equity Fund. He holds a, BCom (Hons) Econometrics, CFA.

Mervin Naidoo
Mervin is a senior member of the Global Equity team and is head of the offshore research team while also covering global financial companies. Prior to joining Melville Douglas, he held senior equity research roles at Credit Suisse, J.P Morgan and Andisa Securities. He holds a BCom Hons, CA(SA).

Etienne Vlok
Etienne joined Melville Douglas in 2010. He covers the domestic and global IT and media sectors. He holds a BCom Acc. Hons, CA(SA), CFA.

Portfolio Risk

Not to be distributed within the European Union

* Data is displayed over a 3 year rolling period
** Risk free rate = US Treasury T-Bill 3 Months
*** Class A since inception. 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.

Source: Morningstar Direct, Melville Douglas Investment Management

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Additional Information

Where foreign securities are included in the portfolio there may be additional risks, such as potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, tax risks, settlement risks, and potential limitations on the availability of market information.

Other Fund Facts

Manager	STANLIB Fund Managers Jersey Limited
Investment Manager	Melville Douglas Investment Management (Pty) Ltd
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
Publication Date	25th January 2017

Share Class ISIN

Class A	JE00B6VH9P99
Class B	JE00YYD6X79
Class C	JE00YYD6X86

Minimum Investment

Class A	$15 000
Class B	$ 2 500
Class C	$ 2 500

Launch Date

Class A	30 March 2012
Class B	01 September 2016
Class C	01 September 2016

Fund Costs

Fee Class	Management Fee	Performance Fee	TER	TC	TIC
Class A	1.00%	5% above HWM	1.23%	0.08%	1.31%
Class B	1.50%	NIL	1.80%	0.08%	1.88%
Class C	1.20%	NIL	1.54%	0.08%	1.62%

TER = (Total Expense 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

Melvilee Douglas Investment Management (Pty) Ltd

8th Floor West Wing, 30 Baker Street, Rosebank, 2196. PO Box 411184, Craighall 2024, South Africa

Telephone:+27 (11) 721 7964 Fax: +27(0)86202 7235

www.melvilledouglas.co.za

Statutory Disclosure and General terms and Conditions

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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. The representative for the fund in South Africa is STANLIB Collective Investments (RF) Ltd. 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).

Quarterly commentary

Investors greeted the New Year with a half full, rather than half empty, glass of bubbly. The final quarter of 2016 saw Wall Street reach new highs on the narrative of a US economic boom fuelled by the upcoming Trump administration's tax cuts and a fiscal spending spree.

The MSCI All Country World index was up +1.2% in the fourth quarter. The strength of the greenback meant the US was the only major market up in dollar terms (+3.4%). Cyclical sectors were the leaders, spearheaded by financials (+12.2%), energy (+7.4%) and materials (+3.1%). More defensive staples (-6.0%) and health care (-5.5%).

Geopolitical risk is unlikely to subside in the near future given protracted and antagonistic Brexit negotiations, the undefined Trump policy agenda, and elections across Europe (Holland, France and Germany). Although we can carefully assess scenarios, we would highlight that anticipating the reaction to the latest tweet from Trump or regime change in Europe is a strategy fraught with difficulty.

Some commentators suggest the positive reaction to the election of Trump and a Republican Congress is anticipating a return to the Reagan boom years. We would take care not to get carried away with this notion. When Reagan took office in 1981, Treasuries were yielding 12.5%, stock markets were cheap and the economy was in recession. Today we are in almost the opposite situation: 10-year Treasuries now yield a paltry 2.4%, stocks are expensive and there is far less slack in the economy given seven years of expansion and low unemployment (at below 5%, it is less than half the 2010 level). On balance, valuation alone is not a reason alone to reduce equity allocations, particularly given today's low and stable inflation. Expansion of the fiscal deficit could lead to higher inflation, higher rates and lower valuations. This risk needs to be tempered by the low starting point for interest rates and, US real yields (near zero) will probably remain at stimulative levels relative to history even if nominal rates were to see modest normalisation.

What are easier to detect and determine are the global trends of de-globalisation, de-regulation and re-expansion of government balance sheets. The noise surrounding the Trump victory merely magnified trends that have been brewing for months, quarters and years

De-globalisation, driven by voter dissatisfaction over wealth distribution and initiated at the ballot box by Brexit, is a reversal for the open movement of global capital and labour. Although some national industries may benefit, this is negative for global growth. Offsetting protectionism is deregulation and an increasing clamour to re-expand government balance sheets. On the latter, any fiscal multiplier effect on the economy will likely take time to filter through given the timescale of infrastructure spending, although tax cuts would have a more immediate, less targeted impact. Cheap money helps. For example, the Bank of Japan's policy to anchor Japanese government bond yields at zero effectively provides Abe's government with free funding.

During the quarter we added to existing holdings which would benefit from a modest recovery in US activity, primarily industrials (e.g. global chemicals distributor Brenntag) and US banks (e.g. Wells Fargo and JP Morgan), without being too impinged by what Trump will-or-will not do over global trade. US banks have performed very well, but there is plenty of gas left in the tank. Positives include sharply higher long term rates (a boon to banks' net interest margins), improved GDP trajectory (loan growth and higher fees due to more activity), and potential for corporate tax cuts under the new Trump regime. Should all or some of these factors materialize, it could lead to a 20% to 30% uplift in bank earnings, which is a significant disconnect with overly conservative consensus estimates revisions of only approximately 5% to 10%.

To conclude, 2017 will likely be another choppy year with higher growth expectations counterbalanced by the pressure on valuations from higher rates and political uncertainty. Whereas the incoming tide of central bank policy lifted all boats, only those companies which can deliver on growth will attract a premium at low tide.