

Melville Douglas Balanced Fund Ltd - Balanced Class

Minimum Disclosure Document as at 31 December 2016



MELVILLE DOUGLAS

Investment Growth***



Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years
MD Balanced Ltd Balanced	0.73	0.07	0.07	0.11	3.92
50% MSCI & 50% US CASH	1.24	4.46	4.46	2.49	5.68
(ASISA) Global MA Flexible	1.44	3.84	3.84	-0.48	4.55

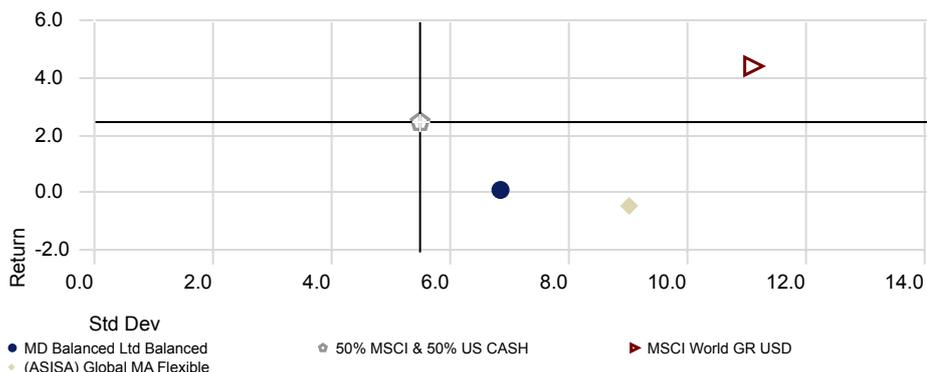
Risk Matrix *

	Fund	Benchmark	Cat Avg
Information Ratio (arith)	-1.40		-0.68
Std Dev	6.83	5.51	9.00
Sharpe Ratio **	0.18	0.36	0.16
Best Month (In Last 3 Years)	4.99	3.93	6.23
Worst Month (In Last 3 Years)	-4.15	-3.29	-6.12

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-3.71	-0.99	3.21	0.09	0.44	-0.98	2.33	-0.08	0.09	-1.59	0.71	0.73	0.07
2015	-1.11	3.13	-0.77	1.56	0.11	-1.77	0.87	-4.15	-2.46	4.99	-0.56	-1.24	-1.73
2014	-3.17	3.14	-0.12	0.18	1.69	1.23	-0.95	0.85	-1.76	0.33	1.70	-0.95	2.02
2013	1.81	-0.16	1.25	1.26	-0.34	-3.34	2.43	-1.73	3.62	2.14	1.08	1.17	9.37
2012	4.39	2.49	0.46	-0.26	-5.47	0.65	2.04	2.37	2.80	-0.24	0.88	0.21	10.46

Risk-Reward *



Investment Objective

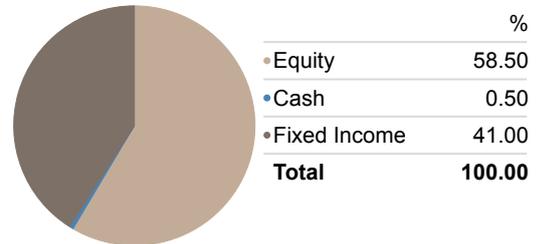
The objective is to provide long term capital growth in US Dollar terms by investing in a balanced portfolio of globally diversified equity and fixed income.

Top Holdings

Portfolio Date: 2016/12/31

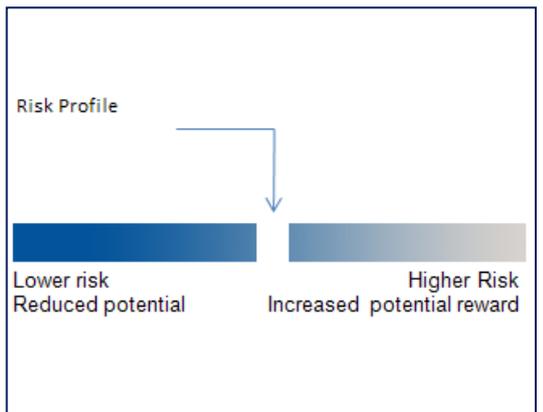
Funds	Weighting %
MD Select Ltd Global Equity	57.19
JPM US Dollar Liquidity C (acc.)	35.78
iShares 1-3 Year Credit Bond	2.38
iShares \$ Short Dur Corp Bd USD Dist	2.36
South Africa Rep 6.875% 2019-05-27	2.29

Asset Allocation



Operations

Month End Price Date	2016/12/31
Month End Price (USD)	153.57
Fund value	12 221 864.00
ISIN	JE00B504TG57
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

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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	16 February 1999

Fund Costs

TER = 1.41%
TC = 0.000%
TIC = 1.41%

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

Melville 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

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

Source: Morningstar Direct

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4th Quarter Commentary 2016

Quarterly Commentary

British Prime Minister Harold Macmillan was once asked what the most difficult aspect of his job is. “*Events, dear boy, events*” was his now famous reply. As with the year, the quarter was not short of geopolitical events.

A late run in equities following the outcome of the US presidential election in November - the “Trump rally” – meant many markets recorded reasonable returns for the year. The same, unfortunately did not hold true for Fixed Income investors as bonds sold off aggressively in anticipation of an improved growth outlook coupled with higher levels of expected inflation.

The fund outperformed its benchmark during the period, but this was largely attributable to the outperformance from the fixed income component in the portfolio where an underweight duration and overweight position to the US dollar paid handsome dividends. The equity component lagged the world index due to its more defensive (e.g. low weight to resources) and higher quality (e.g. no European Banks) skew. Cyclical Value strategies outperformed defensive strategies very significantly during the year.

The themes that characterized 2016 were not consistent: on the one hand “deglobalisation” and falling bond yields, and on the other rising commodity prices and reflation. Commodity prices bottomed out in January and then rose strongly, suggesting a cyclical recovery, but bond yields continued to decline, responding to weak growth signals, monetary accommodation and safe-haven demand. The year began with Japan announcing it would implement a negative policy rate, and the Japanese 10-year yield dipped below zero as a result. More unexpected was the response of the yen, which strengthened substantially against the US dollar, exactly the opposite of what was intended. The declining-yield phenomenon was eventually enough to push German 10-year bond yields into negative territory as well; and the final straw was Brexit.

The US will need to adjust short term interest rates to reflect the reality of a higher inflation rate and fuller employment; the impact of the Trump administration’s growth policies could exaggerate the tension. The impact of higher US interest rates on other regions will also be an issue, unless growth accelerates to higher levels. More supportively, the global earnings cycle appears to have turned positive and should provide a stronger underpin. Bond yields are likely to rise further as growth and inflation push on. Europe in particular will remain a potential source of politically-generated volatility as the year goes on, since there are a number of upcoming elections (Germany, France, Netherlands) which may produce disruptive changes.

Political issues remain a potentially disruptive overlay and policy implementation will need to be properly executed. Investors will need to remain diversified and cautious, but at this point can be hopeful of a better, if not less volatile, year.

Quarterly Commentary

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.

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