

Melville Douglas Global Growth Fund Ltd USD Balanced Class

Minimum Disclosure Document as at 30 June 2017

Investment Growth***



Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
MD Global Growth Ltd US\$ Balanced A	0.3	10.1	11.3	2.4	5.6	1.9
65% MSCI World , 35% JPM Global Agg (unhedged)	0.3	8.6	10.2	3.5	6.3	3.1
EAA Fund USD Flexible Allocation	0.2	6.3	8.1	-0.1	3.5	0.6

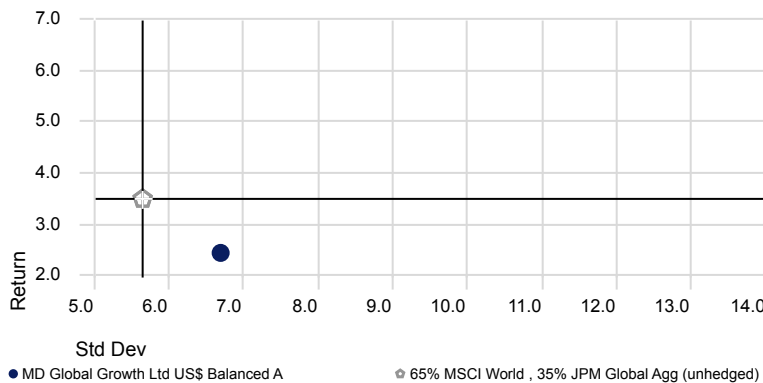
Risk Matrix *

	Class A	Benchmark	Cat Avg
Information Ratio (arith)	-0.6		-1.9
Std Dev	6.7	5.7	6.6
Sharpe Ratio **	0.2	0.3	0.0
Best Month (In Last 3 Years)	5.0	3.9	4.1
Worst Month (In Last 3 Years)	-4.1	-3.3	-4.3

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.7	2.2	0.6	2.5	2.3	0.3							
2016	-3.7	-0.9	3.3	0.1	0.5	-0.9	1.9	0.0	0.1	-2.2	0.4	1.0	-0.7
2015	-1.1	3.2	-0.7	1.6	0.2	-1.7	0.9	-4.1	-2.4	5.0	-0.5	-1.2	-1.2
2014	-3.2	3.2	-0.1	0.2	1.7	1.2	-0.9	0.9	-1.7	0.4	1.8	-0.9	2.5
2013	1.9	-0.1	1.3	1.3	-0.2	-3.2	2.4	-1.7	3.5	2.1	1.1	1.2	9.9
2012	4.4	2.5	0.5	-0.3	-5.6	0.6	1.8	2.4	2.8	-0.2	0.9	0.3	10.3

Risk-Reward *



Not to be distributed within the European Union

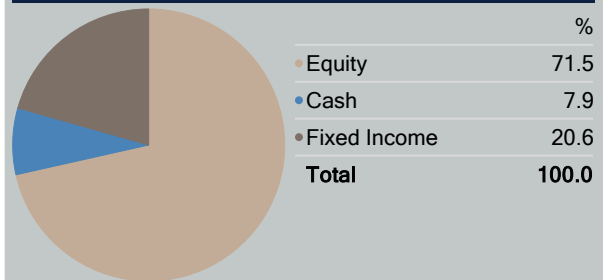
Investment Objective

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 10 Holdings

	Weighting %
Visa Inc Class A	3.7
iShares MBS	3.3
Oracle Corp	2.8
Alphabet Inc A	2.7
iShares MSCI Japan	2.6
Microsoft Corp	2.6
Illinois Tool Works Inc	2.5
Prudential PLC	2.5
JPMorgan Chase & Co	2.4
iShares Core MSCI Emerging Markets	2.4

Asset Allocation



Operations

Price Date	2017/06/30
Month end price (USD)	\$ 173.7
ISIN - Class A	JE00B559P010
Fund AUM (m)	\$ 101.2

Fund Managers

Bernard Drotschie

Bernard is the Deputy Chief Investment Officer and is head of the SA fixed income strategy. He holds a B.Com (Hons) degree in Econometrics, is a CFA® Charterholder, and is a Certified Financial Planner™ professional.

Etienne Vlok

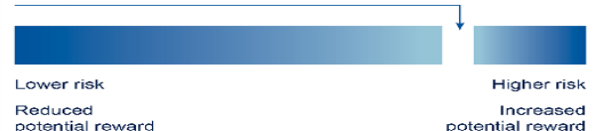
Etienne joined Melville Douglas in 2010. He covers the domestic and global IT and media sectors. He holds a BCom Acc. Hons, CA(SA), CFA.

Karl Holden

Karl specialises in global fixed income and currency markets. He is also lead manager of the Melville Douglas Income funds. Karl is a Chartered Wealth Manager, Fellow of the Chartered Institute for Securities and Investment and holds the Private Client Investment Advice and Management Certificate.

Portfolio Risk

Risk Profile



* 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.

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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, G.S.Baillie, M.Farrow, and O.Sonnbichler
Registered Office	47-49 La Motte Street, St Helier, Jersey
Publication Date	25th July 2017
Compliance No.	HX3491

Share Class ISIN

Class A	JE00B559P010
Class B	JE00BD2X3T71
Class C	JE00BD2X3V93

Minimum Investment

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

Launch Date

Class A	21 June 1998
Class B	01 September 2016
Class C	01 September 2016

Fund Costs- 12 months

Fee Class	Management Fee	TER	TC	TIC
Class A	1.00%	1.29%	0.0%	1.29%
Class B	1.50%	1.79%	0.0%	1.79%

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)

Fund Costs- 36 months

Fee Class	Management Fee	TER	TC	TIC
Class A	1.00%	1.27%	0.0%	1.27%
Class B	1.50%	1.75%	0.0%	1.75%

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

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Statutory Disclosure and General terms and Conditions

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Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending.

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

The manager does not provide any guarantee either with respect to the capital or the return of the portfolio.

Melville Douglas Global Growth Fund Ltd

USD Balanced Class

2nd Quarter 2017



Quarterly Commentary

A very strong first half for equity markets has been supported by robust earnings growth and lower political risk, particularly in Europe. Slightly softer economic data has not been enough to undermine the idea that the world at large is growing robustly. There are stresses, but for now these are mostly peripheral. Worries about the impact of rising interest rates are premature.

Globally, softening of the activity indicators has been largely ignored except by bond markets, where developed market sovereign yields are slightly lower than they were at the beginning of the year. Forward earnings growth estimates for the S&P500 explain the underpin for equity markets: corporate earnings are now growing at the fastest rate since the financial crisis.

What's more, where previously the driver of the earnings growth was cost cutting and financial engineering, now it is much stronger sales: this means that the impact of modest rises in interest rates will be muted. In Europe and Japan, the same trends apply, but without the immediacy of the inflation threat. This means that monetary policy will stay very supportive for some time yet.

In the US, the monetary policy debate has moved on not only to how much interest rates must rise, but to how fast the existing accommodation will be reversed. Post-crisis monetary policy has depended on somewhat unusual measures, collectively termed quantitative easing, which involved buying government and other debt instruments in order to keep long term interest rates low. It worked; but real bond yields are very low by historical standards given the current state of the credit cycle and unemployment, among other indicators. The surprise (if there has been one) in the US is that bond markets responded with lower yields to the specific indications the central bank provided regarding the extent and timing of the unwinding of past monetary measures. Lower yields seem an odd response to the exit of a major market participant, however well signaled the exit has been. In the last week or so that complacency has started to unwind a bit, triggered by remarks made by Mario Draghi at the ECB.

An improving in economic activity in Europe has been enough for Mr Draghi at the ECB to point out that if inflation starts to lift, it would be necessary to change policy settings in order to keep the real settings constant. In other words, he's telling us he would avoid letting the settings become more accommodative by accident. The central bank message is still clear – they will stay accommodative but think the time for erring on the side of extremes is coming to an end.

The favorable results of the Dutch and French elections, with more centrist electoral outcomes have reduced the overhang of political risk associated with fringe domestic policies and more aggressively separatist policy. This provides a political breathing space in which to create a more coordinated approach to fixing or adjusting the weaknesses of the currency regime, and thus a lower risk of the Euro failing. But there are still more elections to come, and it is still possible that destabilizing results could emerge from the German election later in the year. Meanwhile, the Middle East doesn't appear more peaceful than a year ago and there are plenty of risks in emerging markets.

At present, valuations globally are above historical averages, but given low interest rates and strong earnings growth are not extreme. In our assumptions for individual assets, we incorporate what we think is an appropriate "margin of safety" in order to ensure that we don't overpay (it's a sort of insurance against the "unknown unknowns", of which there can be many when trying to value an individual company). We can still find value in some assets, and unless the macro outlook deteriorates or interest rates deliver a sharp non-cyclical adjustment (which central banks will do everything to avoid), then we are likely to maintain current overweight equity positions, particularly given the very thin or non-existent returns available elsewhere.

Conclusion

The Trump exuberance has mostly faded, but European stability has improved and its political certainty has risen. So markets have been relaxed this year, and more confident that there is less likelihood of a disruptive event even though the political tensions across the world are not low. Constant monitoring of valuation and risk is still essential, however, and the search for new opportunities and mispricing goes on within our long-held reliance on a framework of reliable cash generation and sustainable business models

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. Performance is calculated for the portfolio, as well as that the individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. 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 valued on a daily basis using 23:59 (UK Time) prices. Transaction requests received before 14h30 (UK Time) will receive the following day unit price. This is an accumulation portfolio and does not distribute income. Transaction requests received before 14h30 (UK Time) will receive the following valuation point unit price. This is an accumulation portfolio and does not distribute income. 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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