Melville Douglas STANLIB Global Equity Feeder Fund

Minimum Disclosure Document as at 30 June 2018

MelvilleDouglas
A Member of Standard Bank Group

Investment Objectives

The objective of the fund is to provide long-term capital growth by investing in quoted global equities and seek to maximise investment returns in USD. The fund is benchmarked against the MSCI AC World Index.

Investment Philosophy

At the heart of the Melville Douglas's investment philosophy is the preservation of the capital entrusted to us while delivering superior risk adjusted investment returns. We achieve this by focusing on our proprietary investment philosophy and process, which hinge on achieving balance, focusing on the long term, and basing our investment decisions primarily on fundamental research. In all our investments we strive to achieve balance between investment returns and the risk associated with those returns, between capital growth and cash generation, and a balance between compound and cyclical price performers.

Portfolio Facts

Portfolio Size	R95.12 million
Sector Classification	Global - Equity - General
Income Distribution	Net revenue is declared on a daily basis and distributed semi-annually
Income Declaration	30 June and 31 December
Benchmark	MSCI AC World Net

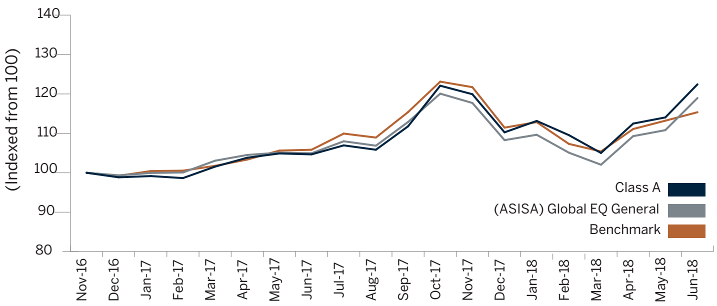
	Class A
Launch Date	01 November 2016

Minimum Investment		
	Class A	Class B1
Lump Sum	R 10 000	R 10 000
Debit Order Per Month	R 500	R 500

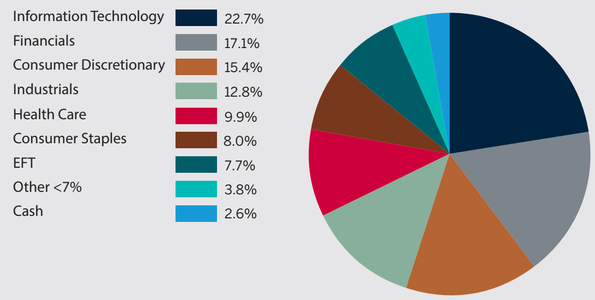
	Class A	Class B1
ISIN NO.	ZAE000227823	ZAE000227815
JSE Code	MDGEA	MDGB1
Total Expense Ratio*	0.00%	0.00%
Maximum Portfolio Charges		
Upfront Charge: Manager	0.00%	0.00%
Upfront Charge: Intermediary	0% - 3%	0% - 3%
Total Service Charge	0.95%	0.45%
Service Charge Intermediary Portion	0.50%	0%

*TER is zero as the fund is less than 36 months old

Cumulative Performance Since Inception



Sector Allocation



Performance (%)

	1 year	Since Inception (Cumulative)
Class A	16.86	22.31
Class B1	17.54	23.43
Sector	12.86	19.26
Benchmark	16.67	14.08
Rank (Class A)	9/53	11/48
Lowest Return Over 12 rolling months		
Highest Return Over 12 rolling months		

Top Holdings (%)

Microsoft Corp	5.30%
Unitedhealth Group Inc	4.60%
Experian Plc	4.50%
Mastercard Inc	4.50%
Visa Inc	4.30%
Lvmh Moet Hennessy Vuitton Se	3.90%
Wells Fargo & Co	3.90%
Ishares Core Msci Em Imi Ucits E	3.80%
Ishares Msci Japan Etf	3.80%
Jpmorgan Chase & Co	3.00%

Portfolio Risk and Term

Conservative		Moderate		**Aggressive**

Income Distribution

Fund Class	Paid in the last 12 months	Paid during 2017	2017 payments as a % of year end price
Class A	0.00 cpu	0.00 cpu	0.00%

Source: Morningstar Direct

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

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Franchise

Since 1983 Melville Douglas has been delivering superior investment returns across a number of asset classes. As a global boutique investment management company within the Standard Bank Group, we are uniquely positioned to offer domestic and offshore investment solutions. What truly sets Melville Douglas apart is our experienced investment team and our approach to investing – driven by balance, a long-term view and a commitment to fundamental research – which informs our investment decisions across the board.

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	12 month TER	36 month TER	36 month TC	36 month TIC
Class A	1.38%	0.00%	0.00%	0.00%
Class B1	1.13%	0.00%	0.00%	0.00%

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)

Kindly note the fund has not reached its 12 month anniversary.

Portfolio Manager

Etienne Vlok

Etienne joined Melville Douglas in 2010. He is the co-manager of the Melville Douglas Select Global Equity Fund. He is also the lead analyst for the domestic and global IT and media sectors. He holds a B. Com. (Hons) from the University of Pretoria and is a Chartered Accountant and Chartered Financial Analyst.

Justin Maloney

Justin joined Melville Douglas in 2014 and has over 23 years investment experience. He covers the consumer discretionary and staples sectors. He holds a First Class Honours BSc degree in Business, is a CFA® Charterholder, and a Chartered Wealth Manager.

Fund Features

The Fund is a Feeder Fund which will invest solely of participatory interests of the Melville Douglas Select Global Equity Fund. This is a high conviction, actively managed global securities fund. The fund consists of 25-35 high quality multi-national companies from around the world. Each company must comply with our stringent requirements for quality, growth and attractive valuation.

Risk

General market risks including:

» Unfavourable market movements
» Volatility
» Economic and political risk
» Company risk

Foreign securities may attract additional risks, such as potential constraints on liquidity and the repatriation of funds, macro-economic risks, political risks, tax risks, interest rate risk, settlement risks, and potential limitations on the availability of market information.

Statutory Disclosure and General terms & Conditions

Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. An investment in the participations of a CIS in securities is not the same as a deposit with a banking institution. CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from STANLIB Collective Investments (Rf) Pty Ltd (the Manager).

Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Liberty is a full member of the Association for Savings and Investments of South Africa. The Manager is a member of the Liberty Group of Companies. The Manager carries full responsibility for this third party portfolio. Investments and repurchases will receive the price of the same day if received prior to 15h00. This portfolio is valued on a daily basis at 24h00.

The Total Expense Ratio (TER) of a portfolio is a measure of the portfolio's assets that were relinquished as operating costs expressed as a percentage of the daily average value of the portfolio calculated over a period of usually a financial year. Typical expenses which are deducted from a portfolio include service charges, taxes, trustee fees and audit fees.

Additional information about this product, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge, and from the website: www.stanlib.com. The prices of unit trust funds are calculated and published on each working day. These prices are available on the Manager's website and in the South African printed news media.

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

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Quarterly Comment

Fund Review

Over the quarter the A-class shares were up +0.32% (B: +0.20%; C: +0.27%; X: +0.58%). This compares with +0.53% return on the MSCI All Country World index.

Negative sector selection slightly outweighed a positive contribution from stock picking. The primary detractor relative to the index was the fund's structural underweight to energy stocks, which were spurred higher by the rally in the Brent crude oil price from $70 to $80 per barrel. The best performing stocks were UnitedHealth (positive results and upped quarterly dividend), Experian (consumer business turnaround) and MasterCard/Visa (strong underlying transaction volume growth). The largest underperformers were Banco Santander (impacted by political uncertainty in Italy and Spain), Starbucks (weak same store sales in the US and China) and iShares Emerging Markets ETF (US dollar strength and slower growth in the region).

Market overview

Global equities ended the second quarter marginally up. Investors were initially upbeat, bolstered by US corporations reporting the fastest rate of earnings growth for almost eight years. Earnings beats, higher oil prices and the prospect of an extended US business cycle enabled technology, energy and consumer discretionary to outperform. Politics was a fly-in-the-ointment. The chaotic formation of an anti-EU government in Italy and an escalation of the US-China trade war helped to erase earlier gains. Investors were further unnerved by hawkish statements from the Federal Reserve and European Central Bank indicating a gradual withdrawal of liquidity support for financial markets.

Looking ahead

By year end, global central bank liquidity will shrink for the first time since the 2008 financial crisis. Without a valuation agnostic buyer, investors are being forced to reconsider the price they pay to take risk. The withdrawal of US dollar liquidity by the Federal Reserve is already exerting stress upon some emerging economies with high levels of dollar dependence. Within equity markets an early casualty has been stable dividend paying "bond proxy" stocks, which are becoming increasing less appealing when the alternative is to switch into virtually risk-free three-month LIBOR cash yielding 2.3% and rising. For now, investors are rewarding companies that can deliver healthy earnings growth. As such the fund has incrementally added to pro-cyclical names, including a Spanish bank and a US car mechanic tool maker, where we find valuations and growth that stack up against a higher interest rate environment.

Over the past two years, economists have transferred their anxieties from deflation to overheating economies. Fortunately, this later stage of the business cycle is not incompatible with higher equity returns so long as earnings growth remains on an upward trajectory and inflation does not spiral out of control, both of which we expect. The catch is that long term returns will be less than what we have been used to given elevated valuations, ageing populations, lower productivity and high levels of sovereign debt.