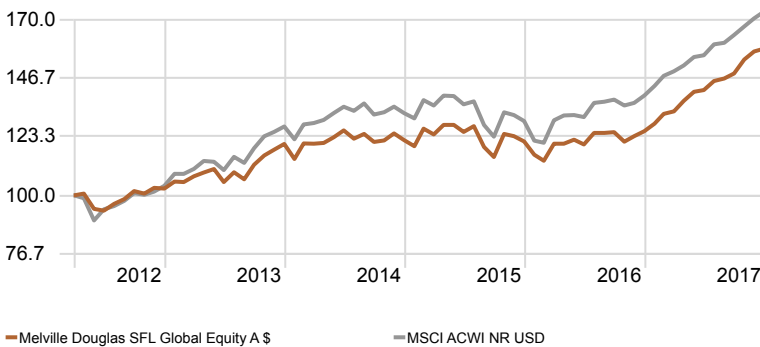


Melville Douglas Select Fund Ltd Global Equity Class

Minimum Disclosure Document as at 31 December 2017

Investment Growth***



Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years	Since Incept.
MD Select Ltd Global Equity A	0.7	26.2	26.2	9.1	9.1	8.3
MSCI ACWI NR USD	1.6	24.0	24.0	9.3	10.8	10.0

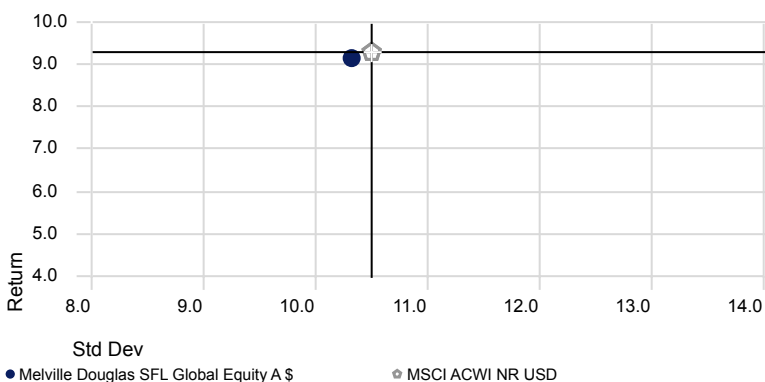
Risk Matrix *

	Class A	Benchmark
Information Ratio (arith)	-0.1	
Std Dev	10.3	10.5
Sharpe Ratio **	0.3	0.3
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
2017	2.4	3.0	0.8	3.1	2.6	0.5	2.5	0.7	1.4	3.7	2.1	0.7	26.2
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

Risk-Reward *



Not to be distributed within the European Union

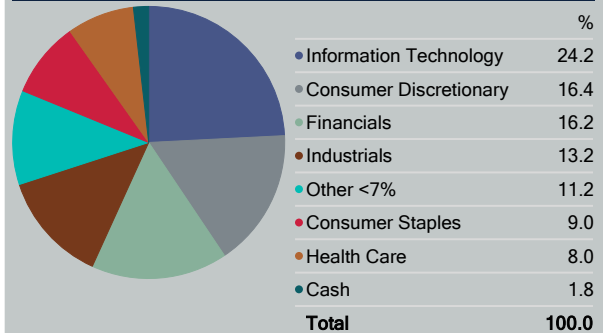
Investment Objective

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 %
JPMorgan Chase & Co	4.7
Wells Fargo & Co	4.7
Microsoft Corp	4.3
Visa Inc Class A	4.3
Oracle Corp	3.9
iShares MSCI Emerging Markets ETF	3.8
Praxair Inc	3.8
Prudential PLC	3.8
Yum Brands Inc	3.8
Mastercard Inc A	3.7

Asset Allocation



Operations

Price Date	2017/12/31
Month end price (USD)	\$ 15.9
ISIN - Class A	JE00B6VH9P99
Fund AUM (m)	\$ 299.4

Fund Managers

Etienne Vlok

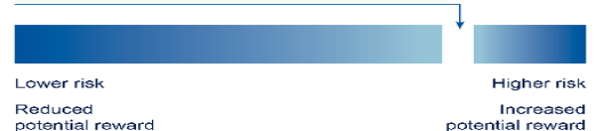
Etienne joined Melville Douglas in 2010. He covers the domestic and global IT and media sectors. He holds a BCom Acc. Hons, CA(SA) and is a CFA® Charterholder.

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.

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.

Melville Douglas Select Fund Ltd Global Equity Class

Minimum Disclosure Document as at 31 December 2017



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.

The risk rating seen on page 1 is designed to give an indication of the level of risk, measured by volatility, associated with this specific portfolio. In order to arrive at the specific risk rating of the portfolio in question, Melville Douglas measures the volatility of the fund, in the form of standard deviation, over a three year rolling period, and compares the result to internal risk parameters. Please note that these risk ratings are designed as a guide only.

Other Fund Facts

Manager	STANLIB Fund Managers Jersey Limited
Investment Manager	Melville Douglas Investment Management (Pty) Ltd
Custodian	Link Corporate Services (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	25 January 2018
Compliance No.	HX2798

Share Class ISIN

Class A	JE00B6VH9P99
Class B	JE00BYD6X79
Class C	JE00BYD6Y86

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 - 12 months

Fee Class	Management Fee	Performance Fee	TER	TC	TIC
Class A	1.00%	5% above HWM	2.28%	0.23%	2.51%
Class B	1.50%	NIL	1.78%	0.23%	2.01%
Class C	1.20%	NIL	1.49%	0.23%	1.72%

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	Performance Fee	TER	TC	TIC
Class A	1.00%	5% above HWM	1.67%	0.23%	1.90%
Class B	1.50%	NIL	1.79%	0.23%	2.02%
Class C	1.20%	NIL	1.49%	0.23%	1.72%

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. 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

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.

Quarterly Commentary

“Just a perfect day, problems all left alone” drawled rock star Lou Reed. One could say the same for 2017, which was the first perfect year for the S&P 500 index since records began in 1928. A perfect year is when there is a positive total return, including dividends, in every month of a calendar year. This remarkable statistical record encapsulates an extraordinarily calm backdrop for equity investing.

The Goldilocks not-too-cold-not-too-hot resynchronization of the world’s major economies drove corporate earnings across most geographies and sectors without central banks needing to slam on the monetary policy brakes. The quarter has not been without geopolitical incident, such as the Supreme Leader of North Korea’s threats of nuclear Armageddon, but market reaction has been nonchalant.

Near the end of the quarter, President Trump’s administration at last saw tangible progress with the passing in Congress of his tax reform bill. The resulting cut in the headline corporate tax rate from 35% to 21% will provide an estimated +8% uplift in 2018 to US corporate profits already spurred by the robust economy.

Last year equity markets exhibited an extraordinarily low level of volatility. An investor who had bought the intra-year peak on the MSCI All Country World index and sold at the intra-year trough would have only lost -2%. By contrast, over the 30 calendar years since 1987 there have been 21 years when there have been peak-to-trough declines of approximately -10% or more. To put it another way, investors experience -10% corrections in two out of three years on average. This has not prevented a global equity investor who is prepared to buy and hold, from generating a twentyfold total return over the past 30 years.

Indeed, attempting to avoid the psychological discomfort of a short-term correction in paper profits can be damaging to long term returns. Typically, being three months too early results in missing out on the remaining +7% average return before the market peaks. If you sell three months after the peak, your average loss is -7%. Hence, being too early can be as damaging as being too late. Rather than catching every zig-and-zag in the market we remain focused on the power of compound returns by picking stocks that will stand the test of time.

Credit where credit is due

During the quarter the fund initiated a position in Experian. The company is the world’s largest provider of credit reports. Simply put, its extensive network of credit bureaux collect credit data for free from financial institutions and then sells the data, albeit repackaged and aggregated, back to the same institutions as well as to consumers.

Although a credit report is often a tiny fraction of a lender’s total costs, it is a crucial piece of information to assess the risk of default. Hence, the credit report industry does not need to compete on price. The market leaders tend to provide a joint service as banks and lenders usually pull credit data from more than one firm when determining the creditworthiness of consumers. The result is a highly profitable and cash generative credit reporting industry.

Experian’s three largest markets for its data are the US, the UK and Brazil. The first two are expected to grow steadily, boosted by newer segments such as health insurance and mobile phone contracts. Brazil, where Experian is the only significant credit bureau, is a more nascent market and therefore has much faster growth. In Brazil, limited financial data means lenders charge borrowers significantly higher rates of interest as they are unable to determine good or bad credits. Inefficient capital allocation is detrimental for economic growth, and therefore the Brazilian government is keen to address this issue by passing legislation for credit data to be “opt-out”, rather than its constraining “opt-in” status quo. The availability of better quality credit reports will be positive for society through lower financing charges, and a boon for Experian as the main provider of this data.

Given its credit data niche, Experian brings a somewhat different industry exposure to the fund whilst staying true to our stock selection philosophy. In summary, the business is attractive given its hard-to-replicate database, regulatory and institutional barriers to entry, oligopoly market position, 25% operating profit margin, low capital intensity, and steady mid-single digit revenue growth driven by non-financials and emerging markets.

Mature on optimism

Elevated equity valuations, particularly on Wall Street, remain a well-documented risk factor.

So when do we turn bearish?

Although valuation is a powerful empirical indicator of long term returns (i.e. over five years or more), it has a weak record as a near term timing tool. Hence, our focus is on identifying change in the longer-term trend. We would become much more cautious about equities if the business cycle moved from expansion to slowdown given bear markets are usually associated with global recession and a collapse in corporate profits.

Tried and tested signals of an impending economic slowdown include an inverted yield curve (i.e. when short term interest rates are higher than long term rates) and a sharp increase in credit spreads (i.e. companies are required to pay more to borrow). Although the yield curve has flattened, it is not in the danger zone levels of 2000 and 2006 ahead of their respective recessions. Furthermore, all the evidence from the latest quarterly corporate results and macroeconomic data confirm expansion rather than contraction. As such, the path of least resistance remains to the upside.

A final, more anecdotal measure, is sentiment. The late great global investor John Templeton famously quipped “bull markets are born on pessimism, grow on skepticism, mature on optimism and die on euphoria”. Despite the length and magnitude of this nine-year bull market, investor sentiment is not at the euphoric levels that marked previous market peaks. We stay the course for now but will be more apprehensive, and contrarian, as and when market participants become increasingly enrapt in the positive narrative.

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

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.