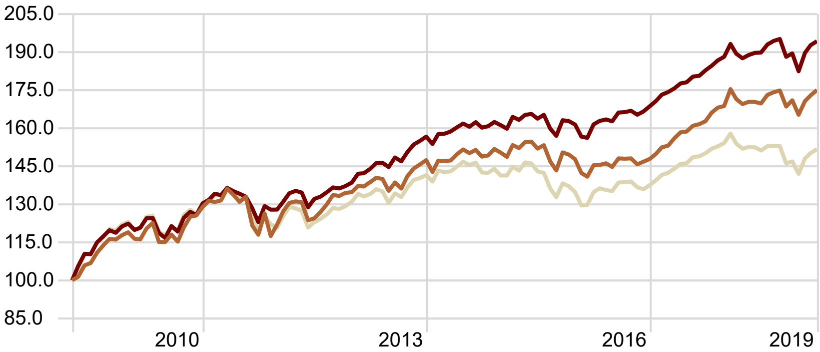
Melville Douglas Balanced Fund Ltd
USD Balanced Class (the "Fund")

Minimum Disclosure Document as at 31 March 2019

MelvilleDouglas
A Member of Standard Bank Group

Investment Growth***



Melville Douglas BFL USD Balanced A | 50% MSCI & 50% US CASH | EAA Fund USD Flexible Allocation

Trailing Returns***

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
Melville Douglas BFL USD Balanced A	1.2	5.9	3.3	6.4	3.6	5.8
50% MSCI & 50% US CASH	0.8	6.5	3.6	6.4	4.2	6.9
EAA Fund USD Flexible Allocation	1.0	6.8	-0.1	4.0	1.2	4.3

Risk Matrix *

	Class A	Benchmark	Cat Avg
Information Ratio (arith)	-0.3		-1.7
Std Dev	5.4	6.9	5.6
Sharpe Ratio **	-0.1	-0.1	-0.3

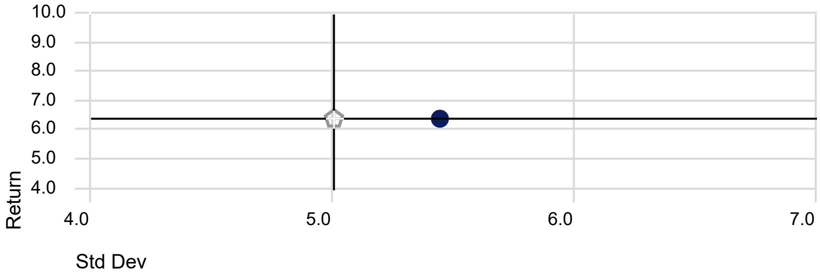
Highest and lowest 12 month rolling returns since inception

Highest 12 month rolling return	24.9
Lowest 12 month rolling return	-25.4

Monthly Returns***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	3.2	1.3	1.2										
2018	3.9	-2.2	-1.2	0.5	0.0	-0.3	2.0	0.6	0.4	-3.6	1.5	-3.3	-2.0
2017	1.4	1.7	0.4	1.9	1.6	0.2	1.4	0.4	0.7	2.1	1.2	0.4	14.1
2016	-3.7	-1.0	3.2	0.1	0.4	-1.0	2.3	-0.1	0.1	-1.6	0.7	0.7	0.1
2015	-1.1	3.1	-0.8	1.6	0.1	-1.8	0.9	-4.2	-2.5	5.0	-0.6	-1.2	-1.7
2014	-3.2	3.1	-0.1	0.2	1.7	1.2	-1.0	0.9	-1.8	0.3	1.7	-1.0	2.0

Risk-Reward *



Melville Douglas BFL USD Balanced A | 50% MSCI & 50% US CASH

Not to be distributed within the European Union

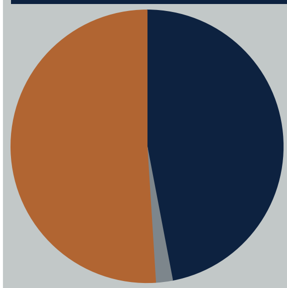
Investment Objective

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 Holdings

	Portfolio Weighting %
US Treasury 1.25	23.36
Microsoft Corp	3.12
Kreditanstalt 2.75	2.82
European Bank 1.75	2.81
International Bank 1.125	2.79
US Treasury 2.75	2.55
US Treasury 2.25	2.53
US Treasury 0.75	2.51
Experian PLC	2.39
Mastercard Inc A	2.38

Asset Allocation



	%
Fixed Income	47.0
Cash	2.0
Equity	51.0
Total	100.0

Operations

Name	Melville Douglas BFL USD Balanced A
Month end price (USD)	$ 181.8
Total fund AUM (m)	$ 10.7

Fund Managers

Bernard Drotschie
Bernard is the Chief Investment Officer. He holds a B.Com (Hons) degree in Econometrics, is a CFA® Charterholder, and is a Certified Financial Planner™ professional.

Portfolio Risk

* 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 Risk 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, interest rate 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	Standard Bank International Investment Limited
Sub 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	17 April 2019
Share Class ISIN	JE00B504TG57
Minimum Investment	$10 000
Launch Date	16 February 1999

Fund Costs- 12 months

Fee Class	TER	TC	TIC
Class A	2.08%	0.00%	2.08%

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. TER reflected is 1 month in arrears. Estimated transaction costs may include Bond, Money Market and FX Costs (where applicable).

Fund Costs- 36 months

Fee Class	TER	TC	TIC
Class A	1.79%	0.00%	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. TER reflected is 1 month in arears.Estimated transaction costs may include Bond, Money Market and FX Costs (where applicable). Share classes in issue for less than 36 months is not disclosed.

Contact Details

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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) on a Thursday will receive the following valuation point unit price. This is an accumulation portfolio and does not distribute income. Telephone calls may be recorded. Link Corporate Services (Jersey) Limited, STANLIB Fund Managers Jersey Limited and Melville Douglas Balanced Fund Limited are regulated by the Jersey Financial Services Commission.

Prices are available from the Manager on request.

Performance figures are calculated for the relevant class on a NAV basis.

Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. Collective Investment Schemes are generally medium to long-term investments.

An investment management agreement exists between the Fund, the Manager and Standard Bank International Investments Limited appointing Standard Bank International Investments Limited as the sole representative for the investment management functions performed in Jersey. The appointed 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.

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Quarterly Commentary

Fund Review

Over the quarter, the fund returned 5.9% compared to a benchmark return of 6.5%. The slight underperformance over the period under review was attributable to an underperformance in the non-equity component (net of fees), There is currently very little pick up available in money market instruments and our preference is to maintain our quality basis in an increasingly uncertain global investment backdrop. The returns from the global equity allocation remains to be satisfactory.

Overview

The decision by the US Federal Reserve (Fed) to back off from raising interest rates and to keep them lower for longer set the tone for the first quarter. Global equites rallied in response to the prospect of ongoing cheap funding, a stark contrast to the severe sell-off endured late last year. Green shoots are slowly starting to appear and recent economic data out of China could indicate that the worst of the current soft patch in the global economic cycle might already be behind us as their own aggressive stimulus initiatives maybe bearing fruit. Additionally, a breakthrough in US-China trade negotiations now appears more likely, which if seen could provide an important underpin to a pick-up in the global investment cycle. There is no denying that the major central banks have bought investors more time and that some of the near-term risks have dissipated. However, as protectionism grows, and central banks focus on keeping asset prices buoyant there would appear to be little margin for policy error. As such investors can expect a world of ongoing volatility and more modest real returns.

Inflation – still not a concern

The Chairman of the Fed, Jerome Powell indicated that even though inflation will continue to be one of the important drivers of monetary policy, it would tolerate a short-term overshoot if current subdued growth conditions persist, reinforcing the Fed's belief in a symmetric inflation target. In other words, it would require a substantial acceleration in the inflation rate for interest rates to move much higher. In fact, given that the Fed has an inflation target (not ceiling) of 2% as part of its dual mandate, many believe that they should be cutting interest rates to reflate the economy. For now, the Fed has communicated that they are not interested in cutting rates as employment is already close to, or at a level of, full employment.

The fact that US dollar liquidity will be reduced at a slower rate than was previously expected (and perhaps even loosened again) is good news as tighter monetary conditions was one of the major headwinds facing investment markets. However, it is also an indication that there are some real structural challenges facing the global economy, which unfortunately cannot solely be resolved by central banks.

The question remains whether the Fed will again change tack if financial conditions become more favourable as the year progresses. Time will tell, but for now the Fed has clearly signaled that financial conditions matter and that they will remain flexible in their approach to interest rate normalisation - a necessary condition to further extend the longevity of the current economic and business cycle.

Trade Wars

Although progress has been made on trade negotiations between the US and China, serious long-term damage has been inflicted between the US and its trading partners. Any claims of victory by President Trump – however hollow – need to be carefully weighed against the costs and as soon as talk of foreign car imports, for instance, representing a *threat* to national security arises, a whole new round of tariffs and more uncertainty for investors awaits.

BREXIT

29 March 2019 was meant to be the moment when the United Kingdom would leave the European Union, but Theresa May's third failure to pass her 'withdrawal agreement' through Parliament leaves the government in crisis. As the new European Union deadline of 12 April approaches a new direction from the government must be outlined so that a longer leave extension can be granted. So, what are the probable outcomes?

The House of Commons has held another string of 'indicative votes' with support for "a customs union", a "second referendum" and a "common market 2.0". However, none achieved a majority, nor are they palatable to the government, so it is quite possible that the existing 'withdrawal agreement' will be voted on for a fourth time in the hope that the Prime Minister can turn 29 votes her way. In order to remove the impasse in Parliament it has been suggested that a 'snap' general election could be held, but for the Conservative party it would be like 'Turkeys voting for Christmas', so this is unlikely. Another possibility can also be nearly discounted – that of a 'no deal Brexit' – if the new technical departure date of 12 April is extended. The EU, despite all their understandable frustrations, likely favour the UK staying in the union, so it is unlikely they will not sanction an extension.

The manner in which Sterling is behaving is rather becalmed, indicating that investors believe that an even 'softer' Brexit is becoming more likely. This will be good news for the economy and the currency. Interestingly, UK economic GDP growth in 2018 was 1.4%, which was superior to most of the rest of Europe even though the uncertainties of BREXIT are restraining domestic corporate investment and keeping international investors away. Given that the vast majority of our UK selections are multi-national in nature, they have proved resilient to domestic issues and are more susceptible to global activity, ongoing US/China trade talks and the direction of interest rates from the Federal Reserve.

Trying to forecast the next move in policy rates, BREXIT or any other political outcome will add very little value to long-term investing. We do not pretend to know all the answers, but by applying a patient, tactical approach, these types of events do provide us with investment opportunities when markets overreact.

Outlook

We remain optimistic that global growth in the near to medium term will not deviate significantly from historic trends and that lower for longer interest rates will again provide an underpin to the performance of risk assets although from here investors should not expect too much of an upward re-rating in global equities. We believe bond yields have fallen excessively and see very little value in an asset class that is providing negative yields when adjusted for inflation.

Notwithstanding the recent about turn in monetary policy, global growth concerns remain whilst geopolitical tensions have not dissipated fully. This together with elevated debt levels in many countries suggests that global markets continue to face very real risks as the year progresses. So, while markets have been afforded some breathing space and have rallied from oversold levels, investors should continue to expect ongoing volatility.