

# Marriott Balanced Fund of Funds

31 July 2025

This Minimum Disclosure Document (MDD) provides investors with key information that is intended to assist the investor in understanding the nature and risks of investing in this fund.

## Managed Fund

An investment in this fund is actively managed in order to achieve the Investor's income and growth in income expectations, with the potential for long-term capital growth. The fund also provides an Investor with a reliable monthly income payment.

## Fund Objective and Investment Approach

The Marriott Balanced Fund of Funds has, as its primary objective, a growing managed income sufficient to hedge both income and capital against the effects of inflation. Investments normally to be included will be participatory interests (units) in portfolios of collective investment schemes registered in South Africa or in portfolios of collective investment schemes or similar schemes operated in territories with a regulatory environment at least equivalent to that of South Africa. Investments, apart from liquid assets, will be held in equity-based portfolios, equity-based property funds, fixed interest and other income-based portfolios in order to maximise the return over the long term. Such allocation will follow regulations governing retirement funds in South Africa. The Balanced Fund is Regulation 28 compliant and accordingly is permitted to invest up to 45% offshore without losing its prudential status.

## Fund Information

|                               |                                 |
|-------------------------------|---------------------------------|
| <b>Registered Name</b>        | Marriott Balanced Fund of Funds |
| <b>Fund Size</b>              | R2,222,750,252.22               |
| <b>Distribution (Class A)</b> | 9.3279 cpu                      |
| <b>Distribution (Class C)</b> | 10.7673 cpu                     |
| <b>Price (NAV) (Class A)</b>  | 2,981.39 cpu                    |
| <b>Price (NAV) (Class C)</b>  | 2,982.83 cpu                    |

## Key Features

|                                      |                                           |
|--------------------------------------|-------------------------------------------|
| <b>Fund Classification (ASISA)</b>   | South African – Multi Asset – High Equity |
| <b>Inception Date</b>                | 1 October 2001                            |
| <b>Base Currency</b>                 | ZAR                                       |
| <b>Minimum Initial Investment</b>    | R500                                      |
| <b>Minimum Additional Investment</b> | R300                                      |
| <b>Minimum Debit Order</b>           | R300                                      |
| <b>Distribution Declaration</b>      | Last working day of each month            |
| <b>Distribution Payment Dates</b>    | 2 to 4 working days after declaration     |
| <b>Instruction cut-off</b>           | 15h00 daily                               |
| <b>Fund valuation frequency</b>      | 15h00 daily                               |
| <b>Regulation 28</b>                 | Compliant                                 |

## Fees (excluding VAT)

|                                       | Class A | Class C |
|---------------------------------------|---------|---------|
| <b>Marriott Initial Fee</b>           | 0 %     | 0 %     |
| <b>Marriott Annual Management Fee</b> | 1.75 %  | 1.25 %  |
| <b>Marriott Performance Fee</b>       | n/a     | n/a     |
| <b>Advisor Initial Fee (max)</b>      | 3 %     | 3 %     |
| <b>Advisor Annual Fee (max)</b>       | 0.5 %   | 0.5 %   |

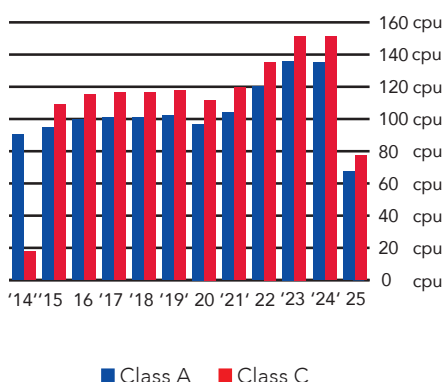
## Expenses (including VAT)

|                                  | Class A  | Class C |
|----------------------------------|----------|---------|
| <b>Total Expense Ratio (TER)</b> | 2.18 %   | 1.60 %  |
| <b>Transaction Costs (TC)</b>    | 0.09 %   | 0.09 %  |
| <b>Total Invest Charge (TIC)</b> | 2.27 %   | 1.69 %  |
| <b>Risk Category</b>             | Moderate |         |

Low Medium High

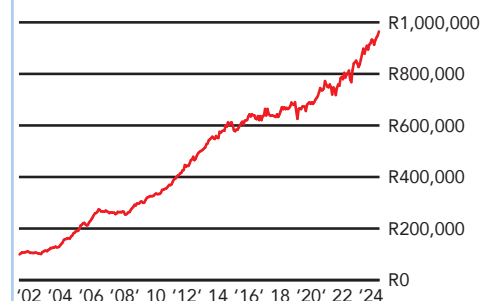
This fund aims for a moderate income stream with a long term return greater than inflation. It aims for modest growth on invested capital but may be exposed to a moderate level of capital volatility.

**Distributions Since 2014**  
(Paid monthly in cents per unit)



Source: Marriott

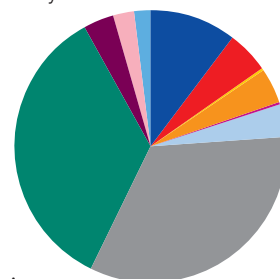
**Total Returns Since Inception**  
(Assuming R100,000 invested at inception)



Source: Marriott

## Current Asset Allocation

- RSA Equities 10.4%
- Real Estate Inv Trusts 5.0%
- Preference Shares 0.2%
- Floating Corporate Debt 4.3%
- Fixed Corporate Debt 0.2%
- RSA Money Market 3.9%
- RSA Government Bond 33.3%
- Int Equities 34.7%
- Int Real Estate 3.8%
- Int Bonds 2.4%
- Int Money Market 1.8%



Source: Marriott

## Fund Limits and Constraints

None, other than the Collective Investment Schemes Control Act. The Balanced Fund is Regulation 28 compliant and accordingly is permitted to invest up to 45% offshore without losing its prudential status.

Performance

Net of all fees and expenses as per the TER disclosure (including income)

Class A

| Annualised (pa) | 1 yr | 2 yrs | 3 yrs | 4 yrs | 5 yrs | Since Inception<br>(Oct 2001) | Volatility of Return<br>Since Inception |                   |
|-----------------|------|-------|-------|-------|-------|-------------------------------|-----------------------------------------|-------------------|
|                 |      |       |       |       |       |                               | Highest<br>12 Mths                      | Lowest<br>12 Mths |
| Income Return   | 4.7% | 5.1%  | 5.1%  | 4.9%  | 4.7%  | 4.8%                          | -                                       | -                 |
| Price Return    | 5.1% | 4.6%  | 3.8%  | 2.4%  | 2.8%  | 5.2%                          | -                                       | -                 |
| Total Return    | 9.8% | 9.7%  | 8.9%  | 7.3%  | 7.5%  | 10.0%                         | 43.6%                                   | -11.2%            |

Source: Marriott

Class C

| Annualised (pa) | 1 yr  | 2 yrs | 3 yrs | 4 yrs | 5 yrs | Since Inception<br>(Nov 2014) | Volatility of Return<br>Since Inception |                   |
|-----------------|-------|-------|-------|-------|-------|-------------------------------|-----------------------------------------|-------------------|
|                 |       |       |       |       |       |                               | Highest<br>12 Mths                      | Lowest<br>12 Mths |
| Income Return   | 5.3%  | 5.7%  | 5.7%  | 5.5%  | 5.3%  | 4.9%                          | -                                       | -                 |
| Price Return    | 5.1%  | 4.6%  | 3.8%  | 2.4%  | 2.8%  | 1.7%                          | -                                       | -                 |
| Total Return    | 10.4% | 10.3% | 9.5%  | 7.9%  | 8.1%  | 6.6%                          | 19.8%                                   | -10.7%            |

Source: Marriott

For periods longer than 12 months annualised performance figures are used. An annualised performance figure represents the compounded average return in percentage terms earned by the fund over the given period of time.

Commentary

The second quarter of 2025 began with major turbulence, sparked by President Trump’s unexpected “Liberation Day” announcement in early April. The introduction of a 10% universal tariff and aggressive reciprocal tariff rates exceeded expectations. Trade policy remained a key driver of volatility, including a 90-day pause on tariffs for negotiations, a new 25% tariff on autos and parts, and an escalation with China that peaked at tariffs of 145% before a temporary truce.

Elsewhere, geopolitical tensions rose sharply in the Middle East. Israel launched airstrikes on Iran, accusing it of building nuclear weapons. The conflict intensified until the United States entered the fray late in the quarter, targeting Iranian nuclear facilities. This intervention helped ease tensions somewhat, but the region remains highly unstable.

Domestically, South Africa faced increasing challenges in the second quarter of 2025, as political tensions within the Government of National Unity (GNU) continued to rise. Disagreements between the ANC, DA, and other coalition partners became more visible, especially during the national budget process, which revealed major differences over spending priorities and fiscal policy. The situation worsened after the dismissal of a DA deputy minister, a move the party criticised as unilateral and politically motivated. In response, the DA withdrew from Ramaphosa’s National Dialogue and followed through on its threat to vote against budget allocations for ministers facing allegations of wrongdoing. These developments raised concerns about the GNU’s stability and its ability to govern effectively.

On a more positive note, inflation remained low and at the bottom end of the South African Reserve Bank’s (SARB) target range. This allowed the SARB to cut interest rates by 25 basis points during the quarter, bringing the total rate cuts since September 2024 to 100 basis points. The move provided some relief to consumers and businesses. Meaningful steps have also been taken to address issues raised by the Financial Action Task Force (FATF), raising hopes that South Africa could be removed from the grey list later this year.

Although the US Dollar weakened by 3% against the Rand in the quarter, which weighed on offshore equity returns, the Balanced Fund still delivered a robust 4.1% for the quarter and approximately 11% over the last 12 months.

In the face of heightened geopolitical tensions, ongoing tariff negotiations, and uncertainty surrounding the future of the GNU, market volatility is likely to remain elevated. In such an environment, diversification and quality are critical. The Balanced Fund employs a disciplined approach, allocating approximately 40% to attractively valued South African bonds, which offer compelling real yields. A further 16% is invested in leading South African dividend-paying equities and REITs - including names like Clicks, Standard Bank, and Growthpoint - providing both income and local growth exposure. Additionally, 38% of the portfolio is allocated to globally recognised, high-quality dividend-paying companies such as Microsoft, McDonald’s, and Apple. This diversified mix of resilient, income-generating assets positions the fund to weather economic uncertainty while aiming to deliver more stable, long-term returns.

**Contact us:** To find out more about this fund or to obtain free of charge additional information such as brochures, application forms, annual reports and other marketing material, please visit our website [www.marriott.co.za](http://www.marriott.co.za) or contact our Communication Centre on 0800 336 555.

Collective investment schemes are generally medium to long-term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. If required, the manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Forward pricing is used. The ruling price of the day is calculated at approximately 15h00 SA time each day. Purchase and repurchase requests must be received by the manager by 15h00 SA time each business day. Prices are published on a daily basis on the Marriott website, [www.marriott.co.za](http://www.marriott.co.za). Unit trusts are calculated on a net asset value basis. Net asset value is the value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Marriott does not provide any guarantees with respect to the capital or the return of the portfolio. A schedule of fees and charges and maximum commissions is available on request from Marriott. Where initial fees are applicable, these fees are deducted from the investment consideration and the balance invested in units at the net asset value. Commissions and incentives may be paid and if so, would be included in the overall costs. Different classes of units apply to the fund and are subject to different fees and charges. Fund of funds portfolios are portfolios that invest in other portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. The inclusion foreign securities in a portfolio are subject to risks including but not limited to potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks and the potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Declaration of income accruals are monthly. Performance figures are based on lump sum investment. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. This portfolio may be closed to new investors in order to manage it more efficiently in accordance with its mandate. The TER shows the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees relating to the management of the portfolio. A higher TER ratio does not necessarily imply 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 are a necessary cost in administering the Financial Product and impacts Financial Product 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 Financial Product, the investment decisions of the investment manager and the TER. Marriott Unit Trust Management Company (RF) (Pty) Ltd is a member of the Old Mutual Investment Group. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA).

**Custodian & Trustee:** FirstRand Bank Ltd,  
3 First Place Bank City, Cnr Simmonds & Jeppe  
Streets, Johannesburg, 2001, +27 (0)87 311 2111

**Manager:** Marriott Unit Trust Management  
Company (RF)(Pty) Ltd.

**Asset Manager:** Marriott Asset  
Management (Pty) Ltd, a licenced financial  
services provider, FSP 592

#### Marriott House

2 Delamore Road Hillcrest 3610  
PO Box 2099 Hillcrest 3650 South Africa  
Client Relationship Team 0800 336 555  
Tel +27 (0)31 765 0700 Fax +27 (0)31 765 0790  
Email [info@marriott.co.za](mailto:info@marriott.co.za) [www.marriott.co.za](http://www.marriott.co.za)