

Marriott High Income 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. The Marriott High Income Fund (FoF) is an ideal component of a Living Annuity portfolio within any Annuity vehicle.

Fund Objective and Investment Approach

The Marriott High Income Fund of Funds has, as its primary objective, a high income yield combined with the protection of the value of capital invested over the long term. The secondary consideration is growth in income. The fund benchmark is a yield higher than the 5 year rolling average yield of the BEASSA ALBI 7-12 years split interest yield index. Investments normally to be included will be participatory interests (units) in portfolios of collective investment schemes registered in South Africa. Investments, apart from liquid assets, will be in fixed interest based portfolios, other income based portfolios, high yielding equity based portfolios and high yielding property equity based portfolios.

Fund Information

Registered Name	Marriott High Income Fund of Funds
Fund Size	R3,962,997,322.70
Distribution (Class A)	6.0734 cpu
Distribution (Class C)	6.3206 cpu
Price (NAV) (Class A)	1,017.38 cpu
Price (NAV) (Class C)	1,017.63 cpu

Yields

Historic Yield (Net)*	Class A	8.3 %
	Class C	8.6 %
Current Yield (Net)**	Class A	7.4 %
	Class C	7.7 %

* Historic yield reflects the amount distributed over the last 12 months as a percentage of the Fund's net asset value per unit for that period, net of fees.

** Current yield is the approximate achievable yield for an investment made at the reporting date. It is an estimate, based on the Fund's current holdings and expected interest and income receivable for the next 12 months, net of fees.

Key Features

Fund Classification (ASISA)	South African – Multi Asset – Income
Inception Date	1 October 2001
Base Currency	ZAR
Minimum Initial Investment	R500
Minimum Additional Investment	R300
Minimum Debit Order	R300
Distribution Declaration	Last working day of each month
Distribution Payment Dates	2 to 4 working days after declaration
Instruction Cut-off	15h00 daily
Fund Valuation Frequency	15h00 daily
Currency Exposure	100% Rands

Fees (excluding VAT)

	Class A	Class C
Marriott Initial Fee	0 %	0 %
Marriott Annual Management Fee	1 %	0.75 %
Marriott Performance Fee*	n/a	n/a
Advisor Initial Fee (max)	3 %	3 %
Advisor Annual Fee (max)	0.5 %	0.5 %

*from 1 August Marriott's Annual Management fee will be 1.15% (Class A) and 0.9% (Class C).

Expenses (including VAT)

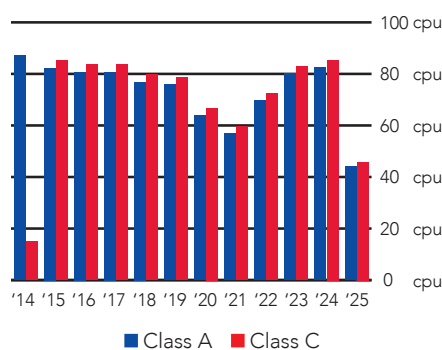
	Class A	Class C
Total Expense Ratio (TER)	1.19 %	0.90 %
Transaction Costs (TC)	0.09 %	0.09 %
Total Invest Charge (TIC)	1.28 %	0.99 %

Risk Category Moderately Conservative

Low Medium High

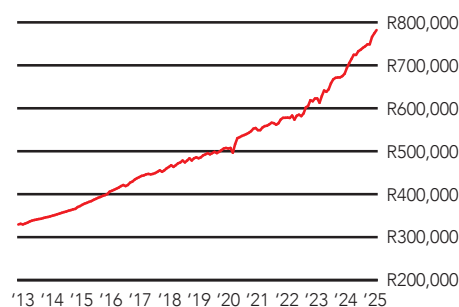
This fund aims to provide a secure income stream with stability in capital. It also aims for modest growth on invested capital.

Distributions Since 2014
(Paid monthly in cents per unit)



Source: Marriott

Total Returns Since Nov 2013
(Assuming R100,000 invested at inception)



Source: Marriott

Fund Limits and Constraints

None, other than the Collective Investment Schemes Control Act.

Current Asset Allocation

Instrument	Weight	Yield	Term to Maturity	Duration
Cash and Short Term Fixed Deposits	7.2%	6.9%	0.0	0.0
Medium Term Fixed Deposits	0.7%	9.4%	2.8	2.3
Medium Term Floating Deposits	1.0%	8.8%	3.8	0.3
RSA Government Bonds				
I2029	6.7%	9.0%	3.7	3.5
I2031	0.5%	9.3%	5.5	4.9
I2033	3.4%	9.6%	7.6	7.0
RN2032	9.6%	8.9%	6.7	0.2
R2032	29.2%	9.0%	6.7	4.9
Floating Corporate Debt	37.8%	8.9%	2.5	0.3
Fixed Corporate Debt	1.1%	9.2%	1.4	1.2
Real Estate Inv Trusts	1.6%	7.2%	5.0	-
Preference Shares	1.2%	8.4%	5.0	-
Total	100.0%	±8.7%	±4.2	±2.0*

* Effective portfolio duration excluding Inflation Linked Bonds and short-term deposits (<1yr) held to maturity. Portfolio duration = 1.5

Source: Marriott

Performance

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

Class A

Annualised (pa)	1 year	2 years	3 years	4 years	5 years	Since Inception (Feb 2001)
Income Return	8.4%	8.8%	8.6%	8.0%	7.6%	8.9%
Price Return	2.5%	2.0%	1.7%	0.6%	0.3%	0.1%
Total Return	10.9%	10.8%	10.3%	8.6%	7.9%	9.0%

Class C

Annualised (pa)	1 year	2 years	3 years	4 years	5 years	Since Inception (July 2013)
Income Return	8.7%	9.1%	8.9%	8.3%	7.9%	8.2%
Price Return	2.5%	2.0%	1.7%	0.6%	0.3%	0.0%
Total Return	11.2%	11.1%	10.6%	8.9%	8.2%	8.2%

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.

Source: Marriott

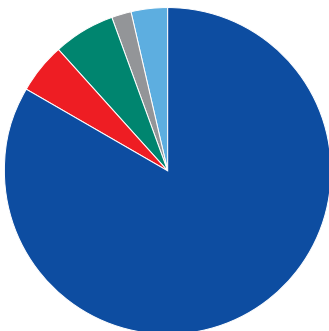
Volatility

Annualised (pa)	Volatility of Return Since Inception	
	Highest 12 Months	Lowest 12 Months
Class A	14.0%	1.1%
Class C	14.3%	1.4%

Annualised (pa)	Volatility Standard Deviation	
	1 year	5 years
Class A	0.4%	3.0%
Class C	0.4%	3.0%

Credit Exposure

AAA	82.2%	AA-	1.7%
AA+	4.9%	A+	3.5%
AA	6.1%		



Credit Exposure: Top 10 Issuers & National Credit Rating		
Issuer	Weight	Rating*
RSA Government	49.4%	AAA
ABSA Bank Ltd	6.9%	AAA
Standard Bank Ltd	2.9%	AAA
Momentum Metropolitan	3.0%	AAA
New Development Bank	2.8%	AAA
Bidvest	2.8%	AAA
FirstRand Bank Ltd	1.7%	AAA
Sanlam	2.4%	AAA
BNP Paribas	1.9%	AAA
Vukile Property Fund	1.9%	AA

* Credit ratings can be assessed on either a global or a local (national) scale. The table above uses local ratings, as they are more appropriate for comparing or ranking debt issued within the same country.

Commentary

The Marriott High Income Fund has delivered a strong total return of approximately 11.2% over the past year, reflecting its consistent ability to generate solid performance. Over the past decade, the fund has also outperformed inflation, money market funds, and the average multi-asset income funds, as shown in the table below. This consistent track record makes the Marriott High Income Fund an ideal choice for conservative investors seeking a high level of income, strong real returns, and minimal volatility over a two-year time horizon.

Annualised Total Return (31 July 2025)					
Term	1yr	3yrs	5yrs	7 yrs	10 yrs
Marriott High Income Fund Class C	11.2%	10.6%	8.2%	8.7%	8.4%
SA Multi Asset Income Sector Average	8.8%	5.5%	5.9%	6.1%	6.5%
SA Interest Bearing Money Market Sector Average	8.2%	7.9%	6.4%	6.6%	6.8%
Inflation (CPI)	3.0%	4.6%	5.0%	4.6%	4.8%

Source: ProfileData

In our previous updates, we highlighted several supportive factors underpinning the positive outlook for the Marriott High Income Fund—notably, attractive real yields and a declining interest rate environment. While these conditions remain largely in place, the political backdrop has become more complex.

Tensions within the Government of National Unity (GNU) have grown more pronounced. Disagreements between the ANC, DA, and other coalition partners became increasingly visible during the national budget process, exposing divisions over fiscal priorities and spending. The situation escalated following the dismissal of a DA deputy minister. In response, the DA withdrew from President Ramaphosa's National Dialogue initiative and followed through on its warning to vote against certain departmental budgets where ministers faced allegations of misconduct. These developments have raised concerns about the GNU's stability and effectiveness. The eventual adopted budget framework, however, has remained largely prudent, reflecting a sound understanding of South Africa's fiscal constraints while still aiming to stimulate economic growth. Beyond domestic politics, external factors have also contributed to rising uncertainty. Notably, President Trump's new tariffs on South African imports and ongoing tensions in the Middle East have weighed on risk sentiment.

Against this backdrop, we have continued to position the fund conservatively. Exposure to longer-dated government bonds has been reduced in favour of floating-rate securities, better aligning the portfolio with our long-term view on interest rate risk and market volatility. The Marriott High Income Fund remains well-positioned to deliver strong, stable returns as it:

- Offers an attractive gross yield of approximately 9%, providing consistent income even as interest rates decline
- Maintains a highly diversified portfolio of quality government and corporate bonds
- Carries an AA+ credit rating, reinforcing its stability and low credit risk profile

In summary, the Marriott High Income Fund is a well-considered income fund that is expected to produce a high level of income, strong real returns and low volatility over the next 24 months. With a focus on credit quality, this fund stands out as a safe and attractive option for conservative income-seeking investors.

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 or contact our Client Relationship Team 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. 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. 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).

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