Marriott International Growth Feeder Fund

30 September 2022

MARRIOTT INVESTMENT MANAGERS

This Mandatory 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.

How This Fund Works

This is a rand-denominated portfolio offering access to the Marriott International Growth Fund without requiring the Investor to obtain permission from the South African Reserve Bank or the South African Revenue Service to transfer the funds offshore. The Investor will invest and disinvest rands as opposed to foreign currency.

International Growth Feeder Fund → Uses Marriott's asset swap capacity → Invests offshore into the International Growth Fund

Rand-denominated fund

Fund Objective and Investment Approach

The Marriott International Growth Feeder Fund is a rand-denominated feeder fund that invests all its non-cash assets in the Marriott International Growth Fund. The objective and mandate of the Marriott International Growth Fund is to generate long-term capital growth, a distributable income stream and value through holding a combination of dividend paying equities, bonds, listed real estate securities and money market instruments. The underlying fund is managed to achieve a gross yield in US dollar terms comparable to the yield generated by the average of the S&P 500 Index and the JP Morgan Global Government Bond Index, and generate capital growth in US dollars in excess of US Consumer Price Inflation. The Current Currency Allocation chart shown here closely reflects that of the Marriott International Growth Fund. The underlying fund is a class of shares in an open-ended investment company listed on the Irish Stock Exchange and is regulated by The Central Bank of Ireland. The underlying fund is approved for sale in South Africa by the Financial Sector Conduct Authority (FSCA). The portfolio is valued and returns are measured in rands.

Fund Information

Registered Name	Marriott International Growth Feeder Fund
Fund Size	R 462,386,893.94
Price (NAV)	2,136.18 cpu
Distribution (Class A)	27.4338 cpu (Rand terms)
Distribution (Class B)	27.4338 cpu (Rand terms)

Key Features

Fund Classification (ASISA)	Global – Multi Asset – Flexible
Inception Date	1 August 2004
Base Currency	ZAR
Minimum Initial Investment	R500
Minimum Additional Investment	R300
Minimum Debit Order	R300
Distribution Declaration	31 March, 30 June, 30 September, 31 December
Distribution Payment Dates	3 to 4 working days after declaration
Instruction Cut-off	15h00 daily
Fund Valuation Frequency	15h00 daily

Risk Category Moderately Aggressive

Low Medium High

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

Fees (excluding VAT)

	Class A	Class B
Marriott Initial Fee	0 %	0 %
Marriott Annual Management Fee	0 %	0 %

1.5% is levied at the underlying fund level.

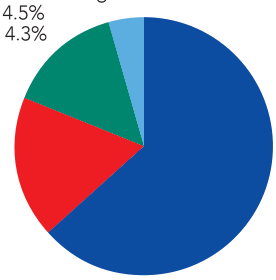
Marriott Performance Fee	n/a	n/a
Advisor Initial Fee (max)	3 %	3 %
Advisor Annual Fee (max)	0.5 %	0.5 %

Expenses (including VAT)

	Class A	Class B
Total Expense Ratio (TER)	1.87%	1.87%
Transaction Costs (TC)	0.06%	0.06%
Total Invest Charge (TIC)	1.93%	1.93%

Current Currency Allocation

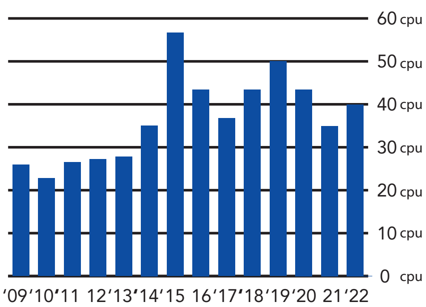
- US Dollar 63.3%
- UK Pound Sterling 17.8%
- Euro 14.5%
- Rands 4.3%



Source: **Marriott International**

Distributions Since 2009

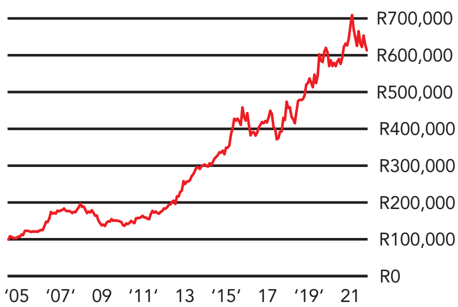
(Class A – Paid quarterly in cents per unit)



Source: **Marriott**

Total Returns Since Inception

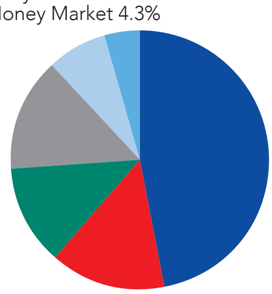
(Class A – Assuming R100,000 invested at inception)



Source: **Marriott**

Current Asset Allocation

- US Equities 47.1%
- European Equities 14.5%
- UK Equities 12.3%
- Int Real Estate 14.2%
- Int Money Market 7.6%
- RSA Money Market 4.3%



Source: **Marriott International**

Performance

Class A

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

Annualised (pa)	1 year	2 years	3 years	4 years	5 years	Since Inception (Aug 2004)	Volatility of Return Since Inception: Highest 12 Months	Volatility of Return Since Inception: Lowest 12 Months
Income Return	1.6%	1.8%	2.0%	2.1%	2.2%	3.2%	-	-
Price Return	-3.8%	-1.3%	3.3%	5.5%	5.1%	7.2%	-	-
Total Return	-2.2%	0.5%	5.3%	7.6%	7.3%	10.4%	51.0%	-28.0%

Class B

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

Annualised (pa)	1 year	2 years	3 years	4 years	5 years	Since Inception (Oct 2007)	Volatility of Return Since Inception: Highest 12 Months	Volatility of Return Since Inception: Lowest 12 Months
Income Return	1.6%	1.8%	2.0%	2.1%	2.2%	2.8%	-	-
Price Return	-3.8%	-1.3%	3.3%	5.5%	5.1%	5.6%	-	-
Total Return	-2.2%	0.5%	5.3%	7.6%	7.3%	8.4%	46.5%	-28.4%

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**

Fund Limits and Constraints

The fund is rand-denominated and invests in the Marriott International Growth Fund and liquid assets.

Current Portfolio Holdings

United States	**Dividend Yield**
Verizon	6.6%
Coca Cola	3.1%
Microsoft	1.1%
McDonalds	2.4%
Visa	0.8%
McCormick	2.0%
Johnson & Johnson	2.7%
Pfizer	3.6%
Medtronic	3.2%
Honeywell	2.3%
Realty Income	5.0%
Prologis	3.1%
Proctor & Gamble	2.8%
Texas Instruments	2.9%
Abbott Laboratories	1.9%
Equinix Inc	2.2%
Starbucks Corporation	2.3%
United Kingdom	
Diageo	2.2%
Unilever	4.2%
Smurfit Kappa	5.0%
Segro	3.9%
Tritax BigBox	5.5%
Europe	
Allianz	6.9%
Sanofi	4.6%
Nestlé	2.8%
Roche	3.1%
L'Oréal	1.7%

Source: **Marriott International**

Portfolio Review

After a brief respite in July, markets resumed their downwards trajectory through to the end of the third quarter. Once again, the principal cause was inflation and with it, the realisation that central banks, led by the US Federal Reserve, have been significantly out of step with events. Consequently, interest rates in many parts of the world are now rising and rising fast. Having started the year at 0.25%, US interest rates have already been hiked to 3.25%. Rates will keep going up as the final quarter of 2022 progresses, probably to 4% but maybe higher.

Investors are detecting a sense of panic, not in the form of a 2008-style banking crisis, but an economic crisis triggered by inflation and, by way of response, a burst of interest rate activity. Whilst the nominal figures are still quite low (many investors will recall double digit interest rates in the 1990s), it is the magnitude of the increases which has caused the most concern. Having sat on their hands throughout 2021 and assumed that inflation would be no more than a transitory by-product of a post COVID-19 economic euphoria, central banks are playing catch-up. Instead of managing a soft landing, they are creating a self-inflicted hard recession. The Fed is cornered and sees interest rate action as the only meaningful way in which inflation can be conquered. And this will take time to achieve. It may not feel recessionary on the street, in employment agencies, shops, factories and restaurants, but equity markets are warning of a significant economic downturn in 2023.

It is not only equity markets which are suffering. Bond markets too are reflecting higher interest rates and prices have dropped. The usual haven of government bonds has, therefore, proved anything but. US treasuries have fallen by 13% over the year to the end of the third quarter and gilts by nearly 30%. These movements have hit British pension funds, the main buyers of long-term bonds, especially hard.

The poor performance of sterling assets has been exaggerated by the weakness of the pound. As if things couldn't get any worse, a poorly presented 'mini-budget' cobbled together by the newly appointed Conservative leadership, spooked the market to such an extent that the Bank of England was forced to intervene to prevent further weakness in the gilt market and a full-blown sterling crisis. Even the IMF felt it necessary to pass comment, and not in a good way. It is more than frustrating.

Many of the problems facing the market today are, therefore, self-inflicted. Although the primary trigger was the unprovoked invasion of Ukraine and the subsequent cost-of-living crisis, the seeds for economic distress were sown back in 2021. This is now a classic bear market where everything is down. Equities, bonds, property, commodities, even gold. Companies are still reporting decent results, but macro headwinds are building to hurricane level. Today's market valuations reflect these conditions. Equities predict events several months into the future. By the time recession hits the real world, the market will already be looking at the prospect of recovery. This mindset needs to be at the forefront of investment strategy when determining the positioning of investment portfolios today.

For now, it is too soon to be calling a turning point to the market with any confidence. In fact, market timing is always perilous, and we try not to do it. House prices are poised to fall as mortgage rates soar and predictions of a 10%-15% housing correction in the UK will not be far off the mark. This, coupled with a general slowdown in spending as the cost-of-living crisis eats into household budgets will create a self-fulfilling downturn in the economy in 2023. That is what the stockmarket is telling us today.

But it is not all bad news. Valuations and dividend yields are attractive provided that underlying businesses can continue to generate healthy cash flow and have managed their debt levels sensibly during the years of easy money. For a long time, equities have been the only real asset class of choice in an environment of zero interest rates. Now, bonds, both corporate and government are starting to look more appealing. This will provide a better balance for portfolios going forward with less volatility. With the world seemingly in a mess of its own making, now may seem a strange time to be feeding money into a hostile stockmarket. But this is when long term strategies are executed, income streams secured, and fortunes preserved. Not a time to be too brave, but not a time to be timid either.

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 Communication Centre on **0800 336 555**.

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

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