Marriott International Growth Feeder Fund

31 December 2024

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 an actively managed 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 417,925,213.63
Price (NAV)	2,469.19 cpu
Distribution (Class A)	1.4802 cpu (Rand terms)
Distribution (Class B)	1.4802 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)

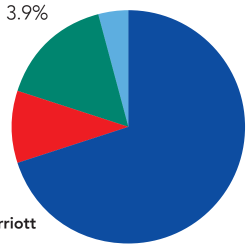
	Class A	Class B
Marriott Initial Fee	0 %	0 %
Marriott Annual Management Fee	0 %	0 %
1.5% is levied at the underlying fund level.		
Marriott Performance Fee	n/a	n/a
Advisor Initial Fee (max)	3 %	3 %
Advisor Annual Fee (max)	0.5 %	0.5 %

Expenses (including VAT)

	Class A	Class B
Total Expense Ratio (TER)	1.91%	1.91%
Transaction Costs (TC)	0.05%	0.05%
Total Invest Charge (TIC)	1.96%	1.96%

Current Currency Allocation

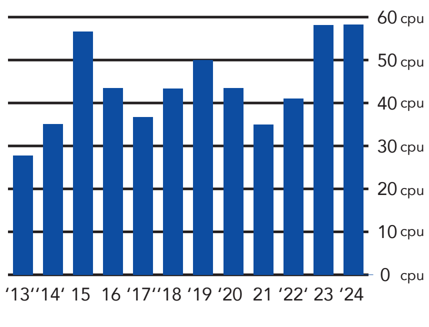
- US Dollar 70.1%
- UK Pound Sterling 9.9%
- Euro 16.1%
- Rands 3.9%



Source: **Marriott**

Distributions Since 2013

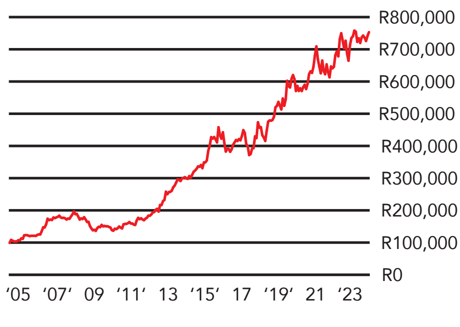
(Class A – Paid quarterly in cents per unit)



Source: **Marriott**

Total Returns Since Inception

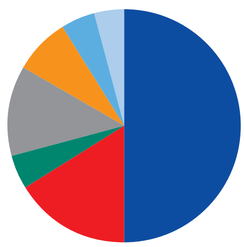
(Class A – Assuming R100,000 invested at inception)



Source: **Marriott**

Current Asset Allocation

- US Equities 50.0%
- European Equities 16.3%
- UK Equities 4.8%
- Int Real Estate 12.5%
- Int Bonds 7.7%
- Int Money Market 4.8%
- RSA Money Market 3.9%



Source: **Marriott**

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	2.5%	2.6%	2.2%	2.2%	2.3%	3.2%	-	-
Price Return	0.0%	5.4%	-0.2%	5.0%	5.7%	7.1%	-	-
Total Return	2.5%	8.0%	2.0%	7.2%	8.0%	10.3%	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	2.5%	2.6%	2.2%	2.2%	2.3%	2.8%	-	-
Price Return	0.0%	5.4%	-0.2%	5.0%	5.7%	5.8%	-	-
Total Return	2.5%	8.0%	2.0%	7.2%	8.0%	8.6%	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**
Coca Cola	3.1%
Microsoft	0.8%
McDonalds	2.3%
Visa	0.7%
S&P Global	0.7%
Johnson & Johnson	3.3%
Pfizer	6.3%
Medtronic	3.3%
Honeywell	1.9%
Realty Income	5.9%
Prologis	3.6%
Proctor & Gamble	2.4%
Texas Instruments	2.7%
Abbott Laboratories	1.9%
Equinix Inc	1.8%
Starbucks Corporation	2.6%
Nike Inc	1.9%
Apple Inc	0.4%
Alphabet Inc	0.3%
Nestle Corporate Bond	4.1%
US Treasury Inflation Linked Bond	2.1%
United Kingdom	
Unilever	3.9%
Smurfit Kappa	2.6%
Segro	4.3%
Tritax BigBox	5.8%
Europe	
Allianz	5.1%
LVMH	2.0%
Sanofi	4.1%
ASML Holding	0.7%
L'Oréal	2.0%
Nestlé	4.1%

Source: **Marriott**

Portfolio Review

Global equity markets weakened in the final quarter of 2024, taking the shine off an otherwise impressive headline gain for the year. In US Dollar terms, equities fell by 1.2% over the quarter bringing the gain for 2024 to 15.7%. This figure, however, disguised the fact that a high percentage of the returns in 2024 were generated by US equities (+23.3%) which now represent a remarkable 67% of the global market, dwarfing the likes of China (2.6%) the UK (3.1%) and Japan (4.7%). Furthermore, the growth in the US equity market was driven by a narrow group of technology stocks led by the likes of Apple and Nvidia. The so-called Magnificent 7 of super-sized technology shares account for nearly 35% of the US market and nearly all have a market capitalisation of over $1 trillion. Allow for the fact that the US equity market is already the world's largest, by some margin, and the concentration risk is unlike anything we have seen for at least half a century. Notably, the more narrowly focussed Dow Jones Industrial Index of US shares rose by 12.8% in US Dollar terms, closer to global stock market averages for the year.

For investment managers, this presents a dilemma. Exposure to the world's leading companies is an important part of portfolio construction. But so too is managing risk. A simple extrapolation of the earnings growth needed to justify share price valuations in loftier parts of the market suggests that the risks are now elevated. Operating in such areas can be perilous, as investors in the Danish pharmaceutical giant Novo Nordisk recently discovered when €90bn was wiped off its value in a matter of minutes. The company simply missed internal targets for a next-generation obesity drug. Ordinarily, this sort of announcement would hardly raise an eyebrow: pipeline drugs routinely fail tests. But Novo Nordisk shares are priced more like a tech stock than a drug company and in this part of the market, the margin for error is wafer thin.

Outside of North America, equity markets had a distinctly average year. The lingering obsession with interest rates meant that when central banks did eventually pluck up sufficient courage to cut, the market had moved on to other things. Inflation fell in 2024, but not by enough to persuade either the market, or interest rate setters that more meaningful cuts could be expected in 2025. This had an inevitable impact on bond markets. Ten-year US bond yields went into reverse, starting the year at 4% and ending it above 4.5%, having been as low as 3.6% just before the November US presidential elections. UK government bonds (Gilts) tracked the rise in US bond yields. But whereas US Treasury yields rose over concerns that a business-friendly, tax cutting Trump administration might reignite inflation, UK Gilt yields rose because of a poorly received budget from a newly elected tax-raising socialist government which also harmed the pound.

Such concerns over a flat-lining UK economy translated into distinctly average gains for this technology-lite market. A rise of 3.6% over the year was nonetheless helped by excellent returns from the banking sector, offset by weakness in interest-rate sensitive sectors such as property. Investor apathy towards value-orientated markets such as the UK means that large parts now trade at significant discounts to their underlying assets. The lack of interest has not been helped by the shrinking size of the UK market, now worth only around 3% of global equities. But contrarian private equity investors sense value, and so do we.

The most disappointing global region was Europe. In US Dollar terms, European equities fell by 0.5% in 2024 as political fallout from elections unsettled stock markets. French equities fell by 7.6% in US Dollar terms offsetting respectable gains in Germany (+12.6%) and Spain (+7.7%). The lingering effects of the conflict in Ukraine continue to send shockwaves into an ill-prepared and politically divided European economy. After a period of relative calm for energy prices, the breakdown of a gas distribution agreement between Russian and Ukraine threatens to disrupt supplies and may be inflationary. Nobody knows what impact the incoming Trump administration will have on the Ukraine conflict, but it is of little surprise that gold, a traditional store of value in uncertain times, rallied strongly in 2024, up by 27% in Dollar terms.

We enter 2025 with the sense that, inevitably, things are going to change. The new US Republican led government (in both houses) will be business-friendly in principle, but past experience of the Trump administration suggests that policymaking may be chaotic and unpredictable. Of equal concern is the valuation of the US equity market and, in particular, that narrow leaderboard. Whilst we do not doubt the potential of these businesses to shape parts of the global economy, the impact of artificial intelligence is still highly uncertain. Exposure to at least some of these tech giants is important (information technology companies make up over 30% of the US equity market and many are highly cash generative). But sizeable parts of the market have been overlooked in the rush to own 'AI'. Speculative gains in the cryptocurrency market in 2024 suggest that tolerance to risk is running high amongst some investors and so particular caution is needed when selecting stocks. We think it more likely that the gap between technology and the rest of the market will narrow, not widen in 2025. Whether this means technology shares falling or other sectors rising is debatable. But it does reinforce the need for sensible diversification within portfolios both for wealth accumulation and preservation.

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**.

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 **www.marriott.co.za**

MARRIOTT INVESTMENT MANAGERS