

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 Real Estate Fund without requiring the Investor to obtain permission from the SARB or SARS to transfer the funds offshore. The Investor will invest and disinvest rands.



International Real Estate Feeder Fund

Uses Marriott's asset swap capacity

Invests offshore into the International Real Estate Fund

Rand-denominated fund

Fund Objective and Investment Approach

The Marriott International Real Estate Feeder Fund is a rand-denominated feeder fund that invests all its non-cash assets in the Marriott International Real Estate Fund. The objective and mandate of the Marriott International Real Estate Fund is to provide a high and growing income stream from a portfolio of internationally listed real estate securities as well as long-term capital growth. The investment universe for this fund is listed real estate securities on international stock markets. The fund benchmark is a yield comparable to the J P Morgan Global Bond Index Yield. 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 Real Estate Feeder Fund
Fund Size	R 250,148,007.27
Price (NAV)	540.67 cpu
Distribution (Class A)	0.1328 cpu (Rand terms)

Key Features

Fund Classification (ASISA)	Global - Real Estate - General
Inception Date	3 October 2000
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

Fees (excluding VAT)

Marriott Initial Fee	0 %
Marriott Annual Management Fee	0 %
1% is levied at the underlying fund level.	
Advisor Initial Fee (max)	3 %
Advisor Annual Fee (max)	0.5 %

TER/TC (including VAT)

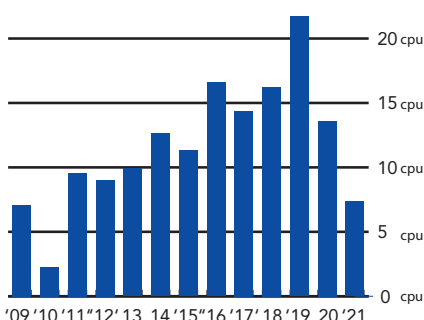
Total Expense Ratio	1.36 %
Transaction Costs	0.06 %

Risk Category Moderately Aggressive

Low Medium High

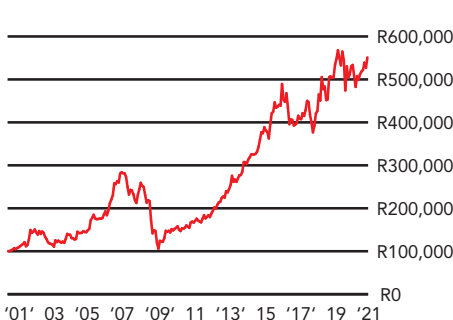
This fund may have a moderate income stream but aims for a long term return greater than inflation. It also aims for a high level of long term growth on invested capital but may be exposed to a high level of capital volatility.

Distributions Since 2009
(Paid quarterly in cents per unit)



Source: Marriott

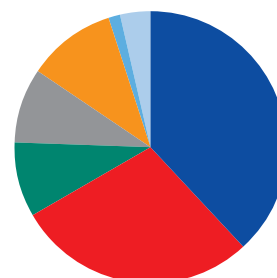
Total Returns Since Inception
(Assuming R100,000 invested at inception)



Source: Marriott

Current Asset Allocation

- US Real Estate 38.2%
- UK Real Estate 28.6%
- European Real Estate 9.0%
- Canadian Real Estate 8.9%
- Far Eastern Real Estate 10.5%
- Int Money Market 1.3%
- RSA Money Market 3.5%



Source: Marriott

Fund Limits and Constraints

The fund is rand-denominated and invests in the Marriott International Real Estate Fund as well as liquid assets.

Performance

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 2000)	Volatility of Return Since Inception	
							Highest 12 Months	Lowest 12 Months
Income Return	3.0%	3.8%	3.6%	3.5%	3.4%	3.7%	-	-
Price Return	4.7%	0.8%	2.2%	4.3%	0.6%	4.9%	-	-
Total Return	7.7%	4.6%	5.8%	7.8%	4.0%	8.6%	65.9%	-59.2%

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.

Fund Limits and Constraints

The fund endeavours to be fully invested in listed real estate securities worldwide and reports in US dollars.

Current Portfolio Holdings

	Dividend Yield
United States	
Simon Property	4.0%
Stag Industrial	3.8%
Realty Income	4.2%
Prologis	2.1%
WP Carey	5.4%
Cyrusone Inc	2.9%
QTS Realty	2.6%
Rexford Ind'l Realty	1.6%
Canada	
H&R REIT	4.2%
Allied Properties	3.8%
United Kingdom	
Tritax BigBox	3.3%
TritaxEuroBox	4.6%
Segro	2.1%
LXI REIT	4.3%
Land Securities	4.6%
LondonMetric Property	3.6%
Europe	
Fabege	2.7%
Alstria	3.4%
Far East	
Capitaland Integrated Commercial Trust	5.2%
Ascendas REIT	5.3%
Link REIT	4.0%

Source: Marriott International

Portfolio Review

The cyclical nature of property has driven the price of the quoted market higher throughout 2021 as the pandemic has subsided and developed markets reflat. Global REITs rose by 8.8% in Dollar terms over Q2, bringing the gain for the first half of the year to 16.3%. Although there was a burst of activity in those sub-sectors heavily sold off during the pandemic (such as shopping centres), normal service resumed towards the end of the quarter. Warehouses and other industrial facilities benefitting from the trend for e-commerce have continued to thrive. Offices, too, have shown early signs of recovery but the market is divided in terms of whether city centres will ever return to their pre-pandemic glory days. The winners will be modern, environmentally-friendly buildings with their tenants' well-being in mind. The losers will be buildings devoid of recent refurbishment and sorely in need of reinvestment. Either way, yields will settle higher, reflecting rising overheads, whilst capital growth will likely be suppressed.

Notwithstanding the rally in 2020, the logistics sector has continued to lead the way in 2021. There seems to be no let up in the demand for good quality warehouse space in prime locations in the UK in particular, characterised by good transport links, size, tenant quality and price. This trend is spreading across Europe too, although the region is immature relative to either the US or the UK.

In addition to warehouses, so-called 'long-income' REITs have also been experiencing demand in 2021. Sub-sectors such as hotels and garden centres, characterised by single-purpose use often linked to a 'brand' tenant are perfect candidates for signing up to long leases with inflation-linked or upward-only rent reviews. In an era of ultra-low interest rates and uncertainty over the direction of inflation, these vehicles are perfect alternatives to inflation-linked corporate bonds which are as rare as hens' teeth and often less liquid. We hold a number of high-yielding long-income REITs in the Marriott international Real Estate Fund portfolio and expect good growth in 2021 and beyond.

Elsewhere, corporate activity has been on the increase. Our holding in the US datacentre QTS has been the subject of a takeover bid from US private equity specialist Blackstone. Whilst we are happy to lock in a decent short-term profit, finding replacement candidates is not easy. A similar trend is emerging in the UK where Blackstone has also been involved with a bid for student accommodation specialist GCP Student. We don't hold student accommodation REITs, largely because of the short-term nature of the tenancies, the quality of the sub-tenants and the track record of the sector which has been volatile. Nonetheless, private equity specialists are finding value in the market and are hungry for alternatives to cash. The highest profile bid to date has been for UK food retailer Morrisons, less for the company's supermarket business, more for its underlying portfolio of owner-occupied buildings (supermarkets are another good long-income sector). There will undoubtedly be more to come in the months ahead.

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**.

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. A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme that levies its own charges, which could result in a higher fee structure for the feeder fund. 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 quarterly. Performance figures are based on lump sum investment. 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. 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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