Marriott International Real Estate Feeder Fund

30 June 2021

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 %

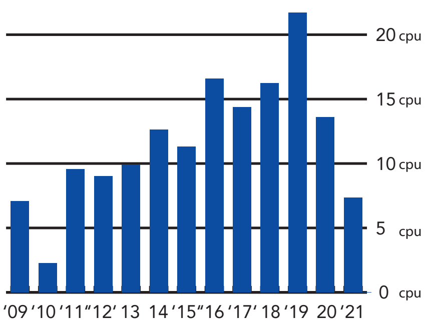
Risk Category Moderately Aggressive

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

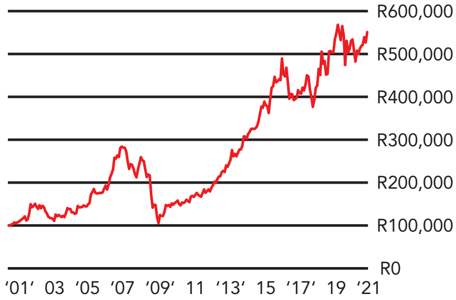
(Paid quarterly in cents per unit)



Source: **Marriott**

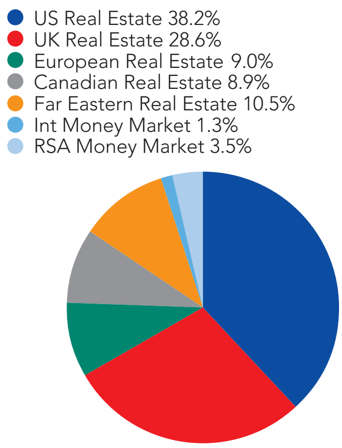
Total Returns Since Inception

(Assuming R100,000 invested at inception)



Source: **Marriott**

Current Asset Allocation



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	Volatility of Return Since Inception: 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

United States	**Dividend Yield**
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 reflated. 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 supressed.

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**.

A MEMBER OF OLDMUTUAL INVESTMENT GROUP

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