

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 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

<b>Registered Name</b>	Marriott International Real Estate Feeder Fund
<b>Fund Size</b>	R 162,922,085.38
<b>Price (NAV)</b>	537.46 cpu
<b>Distribution (Class A)</b>	0.4055 cpu (Rand terms)

## Key Features

<b>Fund Classification (ASISA)</b>	Global - Real Estate - General
<b>Inception Date</b>	3 October 2000
<b>Base Currency</b>	ZAR
<b>Minimum Initial Investment</b>	R500
<b>Minimum Additional Investment</b>	R300
<b>Minimum Debit Order</b>	R300
<b>Distribution Declaration</b>	31 March, 30 June, 30 September, 31 December
<b>Distribution Payment Dates</b>	3 to 4 working days after declaration
<b>Instruction Cut-off</b>	15h00 daily
<b>Fund Valuation Frequency</b>	15h00 daily

## Fees (excluding VAT)

<b>Marriott Initial Fee</b>	0%
<b>Marriott Annual Management Fee</b>	0%
1% is levied at the underlying fund level.	
<b>Marriott Performance Fee</b>	n/a
<b>Advisor Initial Fee (max)</b>	3%
<b>Advisor Annual Fee (max)</b>	0.5%

## Expenses (including VAT)

<b>Total Expense Ratio (TER)</b>	1.48%
<b>Transaction Costs (TC)</b>	0.05%
<b>Total Invest Charge (TIC)</b>	1.53%

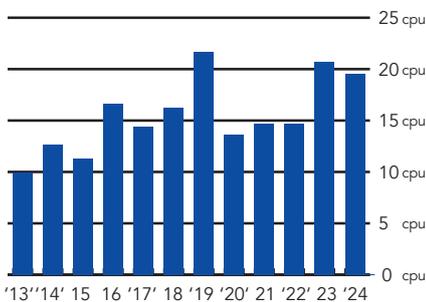
**Risk Category** Moderately Aggressive

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

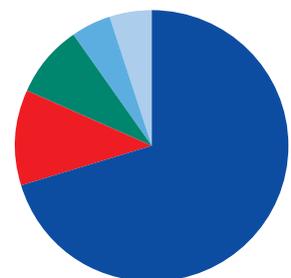
(Assuming R100,000 invested at inception)



Source: Marriott

### Current Asset Allocation

- US Real Estate 70.3%
- UK Real Estate 11.4%
- Far Eastern Real Estate 8.6%
- Int Money Market 4.8%
- RSA Money Market 4.9%



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	3.1%	3.9%	3.2%	3.3%	3.2%	3.6%	-	-
Price Return	-10.1%	1.9%	-7.5%	2.0%	-0.3%	4.2%	-	-
<b>Total Return</b>	<b>-7.0%</b>	<b>5.8%</b>	<b>-4.3%</b>	<b>5.3%</b>	<b>2.9%</b>	<b>7.8%</b>	<b>65.9%</b>	<b>-59.2%</b>

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
Stag Industrial	4.4%
Realty Income	5.9%
Prologis	3.6%
WP Carey	6.4%
Rexford Ind'l Realty	4.3%
Equinix Inc	1.8%
Alexandria Real Estate Equities	5.3%
Digital Realty Inc	2.7%
LXP Industrial Trust	6.4%
Terreno Realty	3.2%
American Tower	3.6%
Crown Castle	6.9%
Cubesmart	4.8%
Extra Space Storage Inc	4.4%
Sun Communities	3.0%
First Industrial Realty Trust	2.9%
American Homes 4 Rent	2.8%
Invitation Homes	3.5%
United Kingdom	
Tritax BigBox	5.8%
Segro	4.3%
LondonMetric Property	6.6%
Far East	
Capitaland Integrated Commercial Trust	5.6%
Ascendas REIT	5.8%

Source: Marriott

## Portfolio Review

The final quarter of 2024 rounded off a difficult year for international real estate investment trusts (REITs). US REITs rose by 8.8% in 2024, supported by strong gains from data centres (unsurprisingly, on the back of the growth in technology stocks). More surprising, perhaps, was the recovery in the US office sector given the generally negative newsflow from landlords facing costly property upgrades to meet stringent environmental requirements, and demanding tenants working fewer days in the office. Whilst 'old-school' REITs still account for three of the top five sectors in the US, so-called tower REITs, which provide infrastructure for mobile communication services, and data centres now account for nearly a quarter of the US real estate universe. This is a huge shift away from the pre-COVID REIT market which was largely dominated by retail, office, and industrial property companies.

The absence of non-US technology-related REITs was keenly felt in other parts of the developed global market. In the UK, REITs had a very poor year, falling by 13.6% in US Dollar terms as the impact of higher bond yields in the final quarter eviscerated gains made earlier when the sector had rallied in anticipation of lower short-term interest rates. It was a similar pattern in Europe, where REITs or their equivalent, fell by 11.6%, also in Dollar terms. This was, perhaps, more surprising given that interest rates were cut by 30% in the Eurozone to 3.2%, reflecting a fall in inflation and fears of economic contraction. Similar fears in the UK have not persuaded the Bank of England from cutting rates faster than their European counterparts. So far, the pace of cuts has been glacial (from 5.25% to 4.75% in 2024) despite the obvious lack of economic growth and political inertia.

Paradoxically, the underlying occupational market is strong. A study of results from our REITs throughout the year suggest very little in the way of tenant weakness. Occupancy levels are resolutely high; most REITs want to acquire or develop more space, not less. Consequently, income streams are robust, and market valuations in the transactional world suggest that the worst of the falls are well behind us, as debt markets stabilise. What is missing is investor confidence which, in the UK and Europe at least, is still in short supply.

In part, this is because cash and bond markets are still attractive relative to property yields. After local taxes, UK REITs, for example, still yield less than sterling cash deposits, meaning that investors have to be fairly confident that values have stopped falling. In the real world, they have. But in the equity market, selling pressure has increased the discount at which many of the UK's top REITs trade in the market, versus their underlying asset value. In some instances, this can be as high as 40%, even in some of the larger REITs.

Another issue is liquidity and choice. Outside of the UK, the REIT market is surprisingly small. The UK's largest REIT, Segro, is only slightly more than one tenth the size of the US's largest REIT, Prologis. The US also has a range of market sectors from which investors can pick almost any number of high-quality names. In property markets, size and variety counts and it is no surprise that a number of REITs in the UK have either been taken over or merged with similar sized rivals during the course of 2024.

To get back on the front foot, investors need to be convinced that the interest rate cycle has turned and that tenants will provide good income growth, in turn supporting increased valuations. Almost by definition, property is a cyclical business and during a downturn, it is hard to imagine a period of rising valuations and income streams. But with parts of the US market now looking expensive, a more valuation-orientated approach to markets may shift the emphasis back on businesses trading on lowly valuations with good cash flows and ongoing compensation in the form of rising dividend streams. Could 2025 be the year of the REIT?

**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](http://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](http://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 of 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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