Marriott International Real Estate Fund

30 June 2025

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 US dollar-denominated portfolio which invests outside of South Africa. A South African Investor using rands to invest requires South African Reserve Bank and South African Revenue Service clearance to take funds offshore. The Investor will invest and disinvest US dollars as opposed to rands.

Uses SARB foreign allowance capacity ▶ **Invests offshore** ▶ **Marriott International Real Estate Fund**

US dollar-denominated fund

Fund Objective and Investment Approach

The objective and mandate of this 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 JP Morgan Global Bond Index Yield. The 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 fund is approved for sale in South Africa by the Financial Sector Conduct Authority (FSCA). The portfolio is valued and returns are measured in US dollars.

Marriott Isle of Man Limited provides investment advisory services to the Marriott International Funds and the Marriott Global Funds. Marriott Isle of Man Limited is regulated by the Financial Services Authority of the Isle of Man.

Fund Information

Registered Name	International Real Estate Fund
Fund Size	$16,224,181.52
Price (NAV)	$ 1.17 per unit
Distribution	1.555 cpu (US dollar terms)

Key Features

Fund Classification (ASISA)	Offshore (Real Estate)
Inception Date	15 February 2001
Base Currency	USD
Minimum Initial Investment	$1,000
Minimum Additional Investment	Any amount
Distribution Declaration	28 February, 31 August
Distribution Payment Dates	31 March, 30 September
Instruction Cut-off	17h00 daily
Fund Valuation Frequency	17h00 daily

Fees (excluding VAT)

Marriott Initial Fee	0 %
Marriott Annual Management Fee	1 %
Marriott Performance Fee	n/a
Advisor Initial Fee (max)	3 %
Advisor Annual Fee	0.25 or 0.5 %

Expenses (including VAT)

Total Expense Ratio (TER)	1.57%
Transaction Costs (TC)	0.06%
Total Invest Charge (TIC)	1.63%

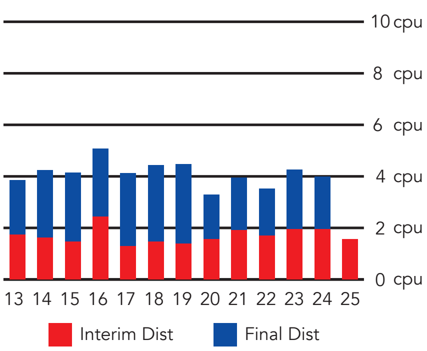
Risk Category Moderately Aggressive

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 2013

(Paid bi-annually in US cents per unit)



Source: **Marriott**

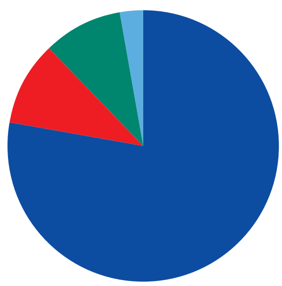
Total Returns Since Inception

(Assuming $100,000 invested at inception)

Source: **Marriott**

Current Asset Allocation

- US Real Estate 77.9%
- UK Real Estate 10.1%
- Far Eastern Real Estate 9.4%
- Int Money Market 2.6%



Source: **Marriott**

Fund Limits and Constraints

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

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 (Feb 2001)	Volatility of Return Since Inception: Highest 12 Months	Lowest 12 Months
Income Return	2.9%	3.3%	3.3%	3.0%	3.1%	3.4%	-	-
Price Return	0.5%	0.5%	-4.1%	-6.1%	-0.2%	0.6%	-	-
Total Return	3.4%	3.8%	-0.8%	-3.1%	2.9%	4.0%	92.1%	-62.8%

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.

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Current Portfolio Holdings

United States	**Dividend Yield**
Stag Industrial	4.2%
Realty Income	5.4%
Prologis	3.8%
WP Carey	5.7%
Rexford Ind'l Realty	4.8%
Equinix Inc	2.3%
Alexandria Real Estate	7.2%
Digital Realty Inc	2.8%
LXP Industrial Trust	6.5%
Terreno Realty	3.6%
American Tower	3.1%
Cubesmart	5.0%
Extra Space Storage Inc	4.5%
Sun Communities	6.3%
First Industrial Realty Trust	3.6%
American Homes 4 Rent	3.3%
Invitation Homes	3.5%
United Kingdom	
British Land	6.1%
Segro	4.5%
LondonMetric Property	6.1%
Far East	
Capitaland Integrated Commercial Trust	5.1%
Ascendas REIT	5.7%

Source: **Marriott**

Fund Codes

Share Class	ISIN	SEDOL	Bloomberg ID
Accumulating	IE00B3D1M152	B3D1M15	MSIIRE2:ID
Distributing	IE0009580469	0958046	MSIIREA:ID

Portfolio Review

US property shares (REITs) staged a tepid recovery in the second quarter of 2025 after going into freefall in the wake of 'Liberation Day' as bond yields took fright at the prospect of higher interest rates, rising inflation and declining US sovereign creditworthiness. Total returns for the quarter and the year-to-date were lacklustre, barely edging into positive territory for the 6-month period to the end of June. The broader equity market, meanwhile, staged a more convincing rally, rising by 4.1% in US Dollar terms over the quarter, led by technology shares and companies with an international sales division. In quarters gone by, such foreign exposure hampered Dollar returns, but one of the features of 2025 to date has been the weakness of the US Dollar. That such weakness should have occurred at a time when the US is one of the few major markets to forecast reasonable economic growth speaks volumes about the opinion of investors on the current US administration's economic track record, such as it is.

The REIT market is typically highly domestic in its component parts. In other words, a US REIT usually holds largely US based property assets. There are outliers, such as international warehouse operator Prologis but these are the exception not the rule. Consequently, as the Dollar has slipped (by 9% against sterling this year so far) returns from overseas markets, notably the UK and Europe have been strikingly better than the US over the last few months. In US Dollar terms, the UK REIT market rose by 16.4% in Q2 whilst European REITs rose by 18.2%. Both markets have benefitted from falling interest rates (and the prospect of more to come).

The Trump administration has, on the other hand, been careless with investor sentiment and dismissive of their strongest financial institution, the Federal Reserve Bank. This approach might sit well within certain political factions of the Republican party, but markets are apolitical and much more interested in hard data than social media messaging. Under intense political pressure, the Fed has refused to contemplate cutting rates early (as was the intention at the start of the year) until evidence of softer inflation has been forthcoming. Unfortunately for President Trump, tariffs and a weaker exchange rate are both expected to create upward pricing pressure, thereby reducing the short-term scope for interest rate cuts. A forecast increase to the already high US debt burden will be made worse by the implementation of the latest US tax act. Cutting taxes is one thing, though. Replacing lost internal revenue (tax) income with tariffs, something entirely different (and one that comes with many complications).

Domestic politics have, therefore, overshadowed an otherwise strong quarter for REIT trading which is a shame. Companies on both sides of the Atlantic are producing evidence that the commercial property market is in the early phases of an upturn. There are few signs of tenant distress (in the REITs which we own). Rental income is rising too, supporting dividend growth and an improvement in valuations which professional valuers are now starting to endorse.

In the UK market, there has been an astonishing amount of corporate activity in 2025 to date. Larger REITs are harnessing the power of their balance sheets and snapping up smaller REITs at prices which management teams believe to be close to the bottom of the cycle. In times gone by, this territory was the preserve of private equity players. But larger REITs have stepped in, and investors have made it quite clear that a deal is not all about price. The REIT market went through a long and painful process to reduce debt following the 2008 global financial crisis. But endorsing a debt driven acquisition is at odds with the direction of the market. Although some deals have gone this way, many acquired assets are still in the public arena under the umbrella of a larger and more liquid REIT. We had expected these acquirers to come from the US, but the weak dollar has made such moves far more expensive, at least for now. The sector, however, is alive with the sound of takeovers and mergers, with plenty still to come.

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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