

This Minimum 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.

## Fund Objective and Investment Approach

The Marriott Property Equity Fund has as its primary objective an acceptable dividend yield combined with long-term growth of income and capital. To achieve this objective, apart from liquid assets, securities normally to be included in the portfolio will be financially sound listed property shares, collective investment schemes in property and property loan stock. The portfolio will consist of a carefully selected spread of prime listed commercial and industrial property securities up to a maximum ratio of 85% and a minimum of 50%.

## Fund Information

|                        |                               |
|------------------------|-------------------------------|
| <b>Registered Name</b> | Marriott Property Equity Fund |
| <b>Fund Size</b>       | R 154,547,166.11              |
| <b>Price (NAV)</b>     | 767.92 cpu                    |
| <b>Distribution</b>    | 7.9141 cpu                    |

## Key Features

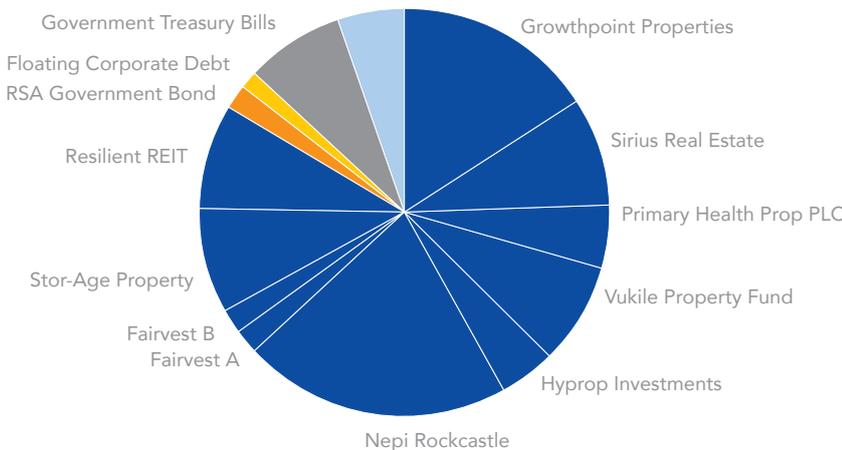
|                                       |  |
|---------------------------------------|--|
| <b>Fund Classification (ASISA)</b>    | South African – Multi Asset – Flexible       |
| <b>Inception Date</b>                 | 2 September 1996                             |
| <b>Base Currency</b>                  | ZAR  |
| <b>Minimum Initial Investment</b>     | R500   |
| <b>Minimum Additional Investment</b>  | R300   |
| <b>Minimum Debit Order</b>            | R300   |
| <b>Distribution Declaration Dates</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                                  |



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

## Current Asset Allocation By Security

- Real Estate Inv Trusts 83.5%
- RSA Government Bond 2.0%
- Floating Corporate Debt 1.6%
- Government Treasury Bills 7.7%
- RSA Money Market 5.2%



Source: Marriott

## Fund Limits and Constraints

The fund will restrict its investments to listed property and liquid assets. The fund may increase liquidity to 50% if it is deemed necessary by the Fund Manager.

## Fees (excluding VAT)

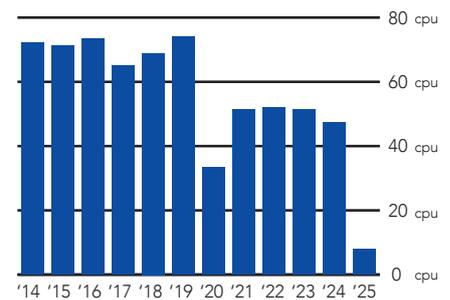
|                                       |      |
|---------------------------------------|------|
| <b>Marriott Initial Fee</b>           | 0%   |
| <b>Marriott Annual Management Fee</b> | 1%   |
| <b>Marriott Performance Fee</b>       | n/a  |
| <b>Advisor Initial Fee (max)</b>      | 3%   |
| <b>Advisor Annual Fee (max)</b>       | 0.5% |

## Expenses (including VAT)

|                                  |       |
|----------------------------------|-------|
| <b>Total Expense Ratio (TER)</b> | 1.18% |
| <b>Transaction Costs (TC)</b>    | 0.09% |
| <b>Total Invest Charge (TIC)</b> | 1.27% |

## Distributions Since 2014

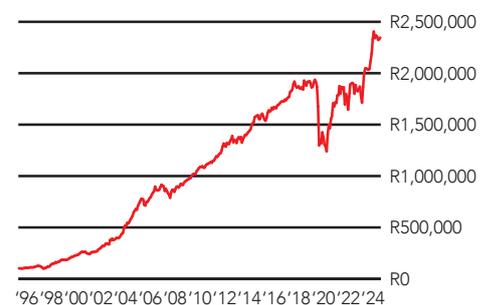
(Paid quarterly in cents per unit)



Source: Marriott

## Total Returns Since Inception

(Assuming R100,000 invested at inception)



Source: Marriott

## 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 (Sep 1996) | Volatility of Return Since Inception |                  |
|---------------------|--------------|--------------|-------------|--------------|--------------|----------------------------|--------------------------------------|------------------|
|                     |              |              |             |              |              |                            | Highest 12 Months                    | Lowest 12 Months |
| Income Return       | 7.0%         | 7.6%         | 7.4%        | 7.5%         | 7.3%         | 10.0%                      | -                                    | -                |
| Price Return        | 8.1%         | 6.5%         | 0.5%        | 2.8%         | 5.3%         | 1.7%                       | -                                    | -                |
| <b>Total Return</b> | <b>15.1%</b> | <b>14.1%</b> | <b>7.9%</b> | <b>10.3%</b> | <b>12.6%</b> | <b>11.7%</b>               | <b>69.6%</b>                         | <b>-35.1%</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.

## Portfolio Security Yields

| Company                    | Weight | Yield |
|----------------------------|--------|-------|
| Nepi Rockcastle PLC        | 21.2%  | 7.9%  |
| Growthpoint Properties Ltd | 15.9%  | 9.1%  |
| Sirius Real Estate Ltd     | 8.7%   | 6.5%  |
| Stor-Age Property REIT Ltd | 8.5%   | 7.8%  |
| Vukile Property Fund Ltd   | 8.2%   | 7.2%  |
| Resilient REIT Ltd         | 8.1%   | 7.1%  |
| Primary Health Prop PLC    | 4.9%   | 7.2%  |
| Hyprop Investments Ltd     | 4.4%   | 6.5%  |
| Fairvest Limited A         | 1.9%   | 7.5%  |
| Fairvest Limited B         | 1.9%   | 9.2%  |

Source: Marriott

## Commentary

The first quarter of this year has been primarily characterised by uncertainty, which has gradually unwound the positive sentiment that previously supported listed properties outperformance. This uncertainty arose from a combination of global and local factors, including geopolitical tensions, diverging monetary policies, global tariffs, and concerns about the stability of the Government of National Unity. On a more sector specific level, issues such as deteriorating municipal infrastructure and rising administered costs have also raised concerns. Against this backdrop, the South African listed property sector underperformed other asset classes. While local bonds and equities returned 0.7% and 5.9% respectively, the listed property sector declined by -3.5%.

Despite this uncertain macro environment, the sector continues to show encouraging underlying fundamentals. The retail property segment, in particular, has benefitted from strong retail sales data, with recent sales growth at 4.8% and gross rental growth tracking inflation at 3.2%. This strong performance has led to two consecutive quarters of positive rental reversions. The segment stands to gain further from increased consumer spending, driven by lower inflation and the two-pot retirement reform. Added to this, companies will benefit from investments in solar PV generation initiated during periods of peak loadshedding. In the industrial segment, fundamentals remain favourable. Structural demand continues to exceed supply, resulting in above-inflation rental growth and a total return of 7.3% according to latest SAPOA reporting. The office sector, meanwhile, remains more challenged. While vacancies have stabilised at 13%, rental reversions remain negative. Future improvements in this segment will largely depend on a more supportive macroeconomic environment that promotes job creation.

Strong sector fundamentals have translated into solid operational performance across our holdings during the recent earnings season, for instance:

- Growthpoint and Hyprop both revised distributable earnings guidance upward, reflecting strong operational delivery.
- Fairvest and Vukile capitalised on the positive retail environment, reporting meaningful growth in Net Property Income of 4.3% and 9.6% respectively

The offshore/rand hedge segment of the portfolio has also performed well, particularly amongst companies with exposure to the Central and Eastern European (CEE) region. The positive performance has been underpinned by the region's supportive macroeconomic environment. These favourable conditions have driven strong demand in the retail property sector, with efficient operators such as Nepi Rockcastle benefiting and revising their distributable earnings guidance upwards to 5.6% for the year.

From a positioning perspective, the portfolio remains exclusively invested in what we consider to be the highest-quality property counters listed on the South African stock exchange. We continue to favour companies with resilient tenant bases, rental growth potential, low gearing, and strong balance sheets. We believe these attributes will underpin sustainable performance, even in a challenging environment. Over the past year, the Marriott Property Equity Fund has delivered a total return of 15.1%, with a distributable income yield of 6.7%, highlighting the effectiveness of our income-focused investment approach.

**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. Where, different classes of units apply to the fund these would be subject to different fees and charges. 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. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. 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. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER. 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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**Asset Manager:** Marriott Asset  
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