Marriott Property Equity Fund

30 June 2021

MARRIOTT
INVESTMENT MANAGERS

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

Registered Name	Marriott Property Equity Fund
Fund Size	R 208,633,497.19
Price (NAV)	732.42 cpu
Distribution	12.8411 cpu

Key Features

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

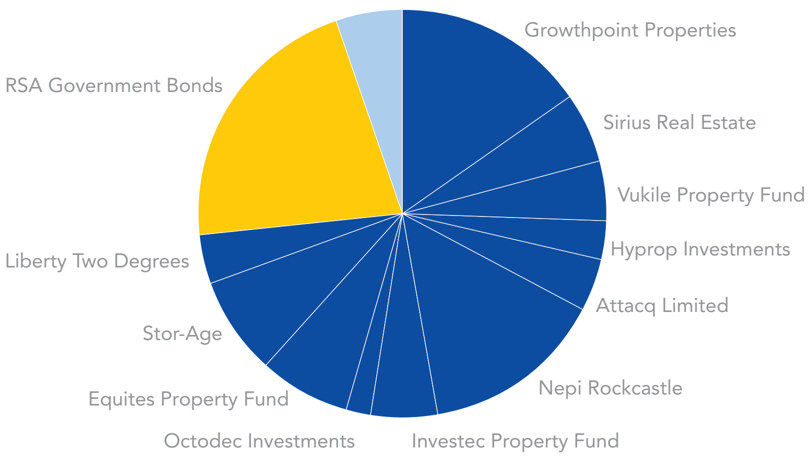
Risk Category Moderate

Low Medium High

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 73.4%
- RSA Government Bonds 21.4%
- RSA Money Market 5.2%



Source: **Marriott**

Fees (excluding VAT)

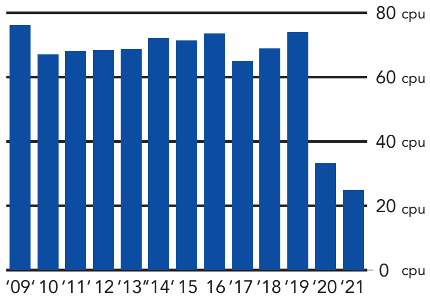
Marriott Initial Fee	0 %
Marriott Annual Management Fee	1 %
Advisor Initial Fee (max)	3 %
Advisor Annual Fee (max)	0.5 %

TER/TC (including VAT)

Total Expense Ratio	1.18 %
Transaction Costs	0.09 %

Distributions Since 2009

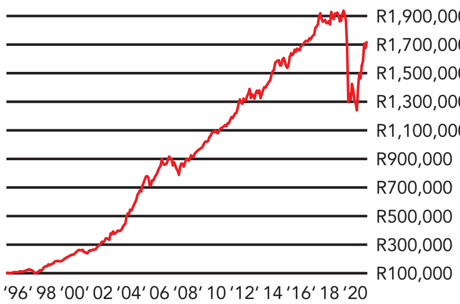
(Paid quarterly in cents per unit)



Source: **Marriott**

Total Returns Since Inception

(Assuming R100,000 invested at inception)



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.

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	7.1%	6.1%	6.5%	6.6%	6.7%	10.3%	-	-
Price Return	13.4%	-11.6%	-9.1%	-6.7%	-5.8%	1.8%	-	-
Total Return	20.5%	-5.5%	-2.6%	-0.1%	0.9%	12.1%	69.6%	-35.1%

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
Growthpoint Properties	15.3%	6.8%
Nepi Rockcastle	14.6%	3.1%
Stor-Age	7.7%	7.5%
Equites Property Fund	7.4%	8.4%
Sirius Real Estate Ltd	5.8%	3.0%
Investec Property Fund	5.1%	7.6%
Vukile Property Fund	4.6%	9.3%
Attacq Limited	4.0%	0.0%
Equites Property Fund	7.4%	8.4%
Hyprop Investments	3.1%	14.4%
Octodec Investments	2.0%	12.2%

Source: **Marriott**

Commentary

Despite harsher lockdown rules being implemented during the quarter, the rally in the property sector continued with listed property achieving a return of 12% for the quarter. Year to date, listed property has also been the best performing sector delivering a total return of 19%.

The beginning of the pandemic was marred with uncertainty regarding the impact of the pandemic on the sector which caused a dramatic selloff in property stocks. As things began to unfold, and the true ramifications of the pandemic and its impact was better understood, it can be inferred that in hindsight there was an overreaction and property was oversold. Investors were particularly concerned with how uncomfortably close companies leverage ratios were to their covenant levels and what would occur in the event of a breach. Credit can also be given to the banking sector who adopted a more pragmatic approach and supported landlords throughout the process by continuing to provide liquidity and a relaxation of covenants. Since then, many companies have also successfully executed on their deleveraging strategies, providing further comfort for shareholders. The strong rand and lower interest rates environment have also aided the process of deleveraging the offshore balance sheet positions. Overall, collections have improved, however local property fundamentals remain weak.

At Marriott we continue to position our portfolios towards high quality, defensive counters. For local property exposure we favor industry heavyweight Growthpoint, which provides diversification sectorally and geographically, both locally and abroad. We also favor sector specialists Equites and Stor-Age, both of whom have emerged as respective 'winners' of the pandemic. Equites benefiting from the acceleration of growth in ecommerce and Stor-Age benefitting from the increased demand in flexible space solutions. Given the poor economic outlook for the South African economy relative to the global environment, we have also increased our global exposure in the portfolio through the addition of NEPI Rockcastle and Sirius Real Estate – two high quality REITs operating in Central/Eastern Europe and Germany respectively. Across the portfolio we favor counters with low balance sheet leverage, as we believe that this approach provides a meaningful margin of safety to the income streams that are of upmost importance to retired investors.

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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Manager: Marriott Unit Trust Management Company (RF)(Pty) Ltd.

Asset Manager: Marriott Asset Management (Pty) Ltd, a licenced financial services provider, FSP 592

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