

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 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.



## 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

<b>Registered Name</b>	International Real Estate Fund
<b>Fund Size</b>	\$34,017,848.56
<b>Price (NAV)</b>	\$1.34 per unit
<b>Distribution</b>	1.725 cpu (US dollar terms)

## Key Features

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

## Fees (excluding VAT)

<b>Marriott Initial Fee</b>	0 %
<b>Marriott Annual Management Fee</b>	1 %
<b>Advisor Initial Fee (max)</b>	3 %
<b>Advisor Annual Fee</b>	0.25 or 0.5 %

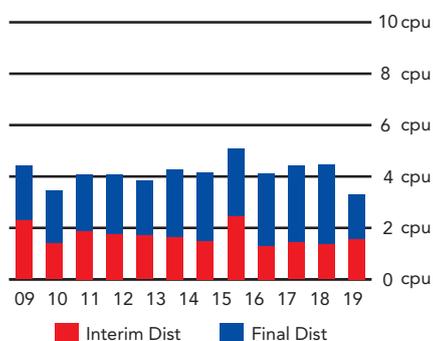
## TER/TC (including VAT)

<b>Total Expense Ratio</b>	1.41 %
<b>Transaction Costs</b>	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 bi-annually in US cents per unit)



Source: Marriott International

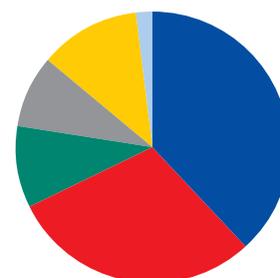
Total Returns Since Inception  
(Assuming \$100,000 invested at inception)



Source: Marriott International

Current Asset Allocation

- US Real Estate 38.1%
- UK Real Estate 29.8%
- European Real Estate 9.8%
- Canadian Real Estate 8.6%
- Far Eastern Real Estate 11.9%
- Int Money Market 1.8%



Source: Marriott International

## 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	2.5%	3.0%	2.9%	3.1%	3.1%	3.5%	-	-
Price Return	-13.7%	0.6%	-3.1%	0.3%	0.0%	1.5%	-	-
<b>Total Return</b>	<b>-11.2%</b>	<b>3.6%</b>	<b>-0.2%</b>	<b>3.4%</b>	<b>3.1%</b>	<b>5.0%</b>	<b>92.1%</b>	<b>-62.8%</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.

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## Current Portfolio Holdings

	Dividend Yield
<b>United States</b>	
Simon Property	7.2%
Stag Industrial	4.7%
Realty Income	4.6%
Prologis	2.4%
WP Carey	6.0%
Cyrusone Inc	2.8%
Rexford Ind'l Realty	1.8%
QTS Realty	2.9%
<b>Canada</b>	
H&R REIT	6.4%
Allied Properties	4.4%
<b>United Kingdom</b>	
TritaxEuroBox	4.6%
Tritax BigBox	3.9%
Segro	2.3%
LXI REIT	5.0%
Land Securities	3.5%
LondonMetric Property	3.7%
<b>Europe</b>	
Fabege	2.6%
Alstria Office	3.6%
<b>Far East</b>	
Capitaland Mall Trust	4.2%
Ascendas REIT	5.1%
Link REIT	4.2%

Source: Marriott International

## Fund Codes

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

## Portfolio Review

Property shares have ended the year with a flourish, albeit still finishing in negative territory for 2020 overall. This is no real surprise. Whilst much of the broader equity market has been resilient in the face of the COVID-19 pandemic, property is a cyclical business and reflects the state of the economy far more so than, say, technology or medicine. Possibly the surprising thing is that things haven't been worse. Offices in cities across the world have been empty for much of the year; shops have been closed as customers stayed at home and student accommodation has also struggled as universities and colleges replaced lectures with video calls. A new key performance metric has emerged during the year: rental collection. Typically, in most other years, this would have been close to 100%, but in the year of the pandemic tenants have frequently struggled to pay their quarterly rent (some, admittedly, tried harder than others). This affected those areas already struggling to keep their heads above water, such as retailers and the hospitality sector. For those that have survived so far, 2021 should be a better year, but much depends on the speed at which vaccines can be distributed and then applied.

On the other hand, the rise and rise of e-commerce has benefited warehouse owners, data centre owners and industrial REITs. Large parts of the residential market have also been strong, boosted by low interest rates and easy finance. Owner-occupiers with plenty of time on their hands to think about things which might otherwise have been further down their list of priorities, have moved house, sometimes for something as simple as a garden (a much desired feature during lockdown). Warehouses, however, remain a key part of the fund portfolio. Whilst e-commerce sales may not accelerate as quickly as they did in 2020, online sales as a percentage of overall company turnover will continue to cannibalise physical sales. The fund portfolio reflects the dramatic shift in the way in which retailers have had to adapt or lose significant market share, sometimes calamitously so.

In other areas, the jury is still out. We have read much about the decline of the office as a place to do business. In certain city centres, in some countries, this may be inevitable. However, our own experience is that most workers prefer the often more creative space of an office and the presence of co-workers, than working from home. As such, once vaccines have been administered more widely, we expect a gradual return to the office but with a more flexible approach to working from home offered by employees. This will have an impact on office valuations but, as ever, the best locations in the busiest cities will remain in demand.

Although a full economic recovery may take until the second half of 2021 to properly materialise, when it does, we expect the property sector to be a material beneficiary. Low interest rates, low bond yields and a general demand for income should be supportive for REITs, where rental income is often linked to inflation or at least adjusted upwards every few years. Either way, a vaccine driven recovery will have a huge impact on sentiment going forward, notably in the property market which thrives on activity, economic growth and confidence, all of which have been in short supply in this strangest of years.

**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 in Securities are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Forward pricing is used. Commissions and incentives may be paid and if so, would be included in the overall costs. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. If required, the portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Collective Investment prices are calculated on a Net Asset Value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Declaration of income accruals are during February and August. The ruling price of the day is calculated at approximately 10h00 Dublin time each day. Purchase and repurchase requests must be received by the manager by 15h00 SA time each business day. Performance figures are based on lump sum investment. This portfolio may be closed in order to be managed in accordance with the mandate. Marriott Unit Trust Management Company Ltd (1988/003359/06) is a member of the Old Mutual Investment Group. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA).

**Depositary:** Northern Trust Fiduciary Services (Ireland) Ltd.  
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**Name of Scheme:** Marriott International Funds PLC

**Name of Representative:** Marriott Unit Trust Management  
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