

Marriott Dividend Growth Fund

30 September 2023

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 Dividend Growth Fund has as its primary objective an acceptable dividend yield combined with long term growth of income and capital. To achieve this objective the fund will seek out fundamentally sound listed companies that currently pay dividends and possess the potential for consistent and sustainable dividend growth in the future. The fund aims to achieve a dividend yield for its investors in excess of the dividend yield of the Financial and Industrial Index and to grow distributions in excess of the dividend growth achieved by the Financial and Industrial Index measured over rolling two-year periods.

Fund Information

Registered Name	Marriott Dividend Growth Fund
Fund Size	R 2,049,903,906.01
Price (NAV) (Class R)	9,276.57 cpu
Distribution (Class R)	76.1232 cpu

Key Features

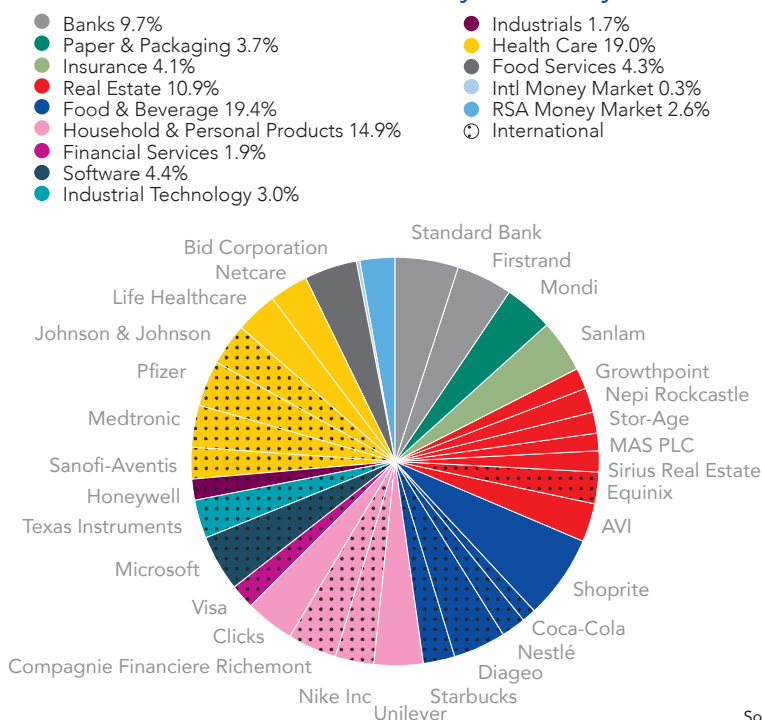
Fund Classification (ASISA)	South African – Equity – General
Inception Date	1 August 1988
Base Currency	ZAR
Minimum Initial Investment	R500
Minimum Additional Investment	R300
Minimum Debit Order	R300
Distribution Declaration Dates	31 March, 30 June, 30 September, 31 December
Distribution Payment Dates	3 to 4 working days after declaration
Instruction Cut-off	15h00 daily
Fund Valuation Frequency	15h00 daily

Risk Category Aggressive

Low Medium High

Income is relatively low with an aim for a long term return greater than inflation. It also aims for a high level of long term growth on invested capital but with high volatility.

Current Asset Allocation By Security



Source: Marriott

Fees (excluding VAT)

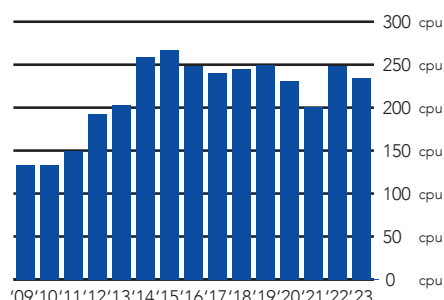
Marriott Initial Fee	0 %
Marriott Annual Management Fee	1 %
Marriott Performance Fee	n/a
Advisor Initial Fee (max)	3 %
Advisor Annual Fee (max)	0.5 %

Expenses (including VAT)

Total Expense Ratio (TER)	1.19 %
Transaction Costs (TC)	0.08 %
Total Invest Charge (TIC)	1.27 %

Inflation-Beating Distributions Since 2009

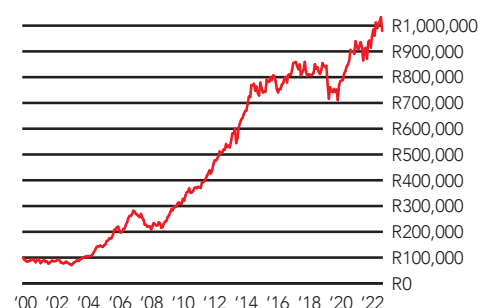
(Paid quarterly in cents per unit)



Source: Marriott

Total Return

(Assuming R100,000 was invested in Jan 2000)



Source: Marriott

Fund Limits and Constraints

None other than standard Collective Investment Schemes Control Act and the ASISA Fund Classification.

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 (Jan 2000)	Volatility of Return Since Inception	
							Highest 12 Months	Lowest 12 Months
Income Return	3.4%	2.8%	2.9%	2.9%	2.9%	3.4%	-	-
Price Return	8.9%	1.5%	6.3%	1.4%	0.7%	6.7%	-	-
Total Return	12.3%	4.3%	9.2%	4.3%	3.6%	10.1%	59.7%	-25.9%

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.

Source: Marriott

	Distribution	Income Growth	Total Return
2022	247.95 cpu	23.2%	-2.6%
2021	201.19 cpu	-12.7%	19.8%
2020	230.51cpu	-7.5%	-6.6%
2019	249.32cpu	1.8%	3.7%
2018	244.80cpu	1.7%	-5.7%
2017	240.76cpu	-3.0%	13.6%
2016	248.16cpu	-7.0%	1.8%
2015	266.91cpu	3.1%	2.5%
2014	258.77cpu	27.1%	20.4%

Portfolio Security Yields

Company	Weight	Yield
Standard Bank	5.0%	7.5%
Firststrand	4.7%	5.9%
Mondi	3.7%	4.5%
Sanlam	4.1%	5.4%
Nepi Rockcastle	2.0%	10.2%
Equinix	2.4%	1.9%
Growthpoint	1.8%	12.5%
Stor-Age	1.7%	9.7%
MAS PLC	1.2%	5.4%
Sirius Real Estate Ltd	1.8%	5.5%
Diageo	4.3%	2.7%
Shoprite	6.4%	2.8%
AVI	3.2%	6.4%
Nestlé	2.0%	2.9%
Starbucks	2.3%	2.3%
Coca-Cola	1.1%	3.2%
Unilever	4.1%	4.4%
Nike Inc	2.9%	1.6%
Compagnie Financiere Richemont	4.0%	2.3%
Clicks	3.9%	2.5%
Visa	1.9%	0.8%
Microsoft	4.4%	0.9%
Texas Instruments	3.0%	3.2%
Honeywell	1.7%	2.2%
Medtronic	3.1%	3.4%
Sanofi-Aventis	2.6%	3.6%
Netcare	3.0%	4.5%
Life Healthcare	3.3%	2.0%
Johnson & Johnson	3.2%	3.0%
Pfizer	3.8%	5.1%
Bid Corporation	4.3%	2.2%

Source: Marriott

Commentary

In contrast to the positive first half of the year, the MCSI World index returned -3.4% in the third quarter, driven by Europe and North America returning -4.9% and -3.1% in US dollars respectively. A key driver of the stock market's muted performance in recent months has been stubborn inflation, particularly in the USA where services inflation remains elevated, and the resultant belief that rates will need to remain higher for longer to bring inflation levels back to target.

Although interest rates are now firmly in restrictive territory around the world, the impact of the elevated interest rates has taken longer to materialise than originally anticipated. A key component of this is the degree of natural hedging within the financial system created when companies and/or individuals have fixed debt which does not mature in the near future. This is particularly true of high-quality companies, who often raised debt at rock bottom rates over the past 3 years and fixed it for a decade or more, and individuals in the USA who are often sheltered from rate increases through 30-year fixed rate mortgages – the predominate mortgage product in the USA. These factors have slowed the pace at which elevated interest rates have flowed through into the global economy and may necessitate rates to be higher for longer if central banks are to bring the core inflation rate fully back to target levels.

Looking forward to the rest of 2023 and beyond, regardless of whether we move into an imminent recession or experience a gradual squeeze through rates being elevated for longer, times are getting progressively tougher. In such an environment it is the market leading companies with strong cash flow generation, robust balance sheets, pricing power and the ability to payout reliable and growing dividends that will likely serve investors best.

The Dividend Growth Fund has an approximate 55% exposure to the best dividend paying companies & REITs in the country such as Clicks, Standard Bank and Growthpoint. This is complimented by a 45% exposure to arguably the best dividend paying companies in the world such as Microsoft, Johnson & Johnson and Nestlé. The fund's total offshore exposure, taking into consideration Rand hedge stocks is now approximately 60% and is therefore less exposed to SA's deteriorating fundamentals than ever. Consequently, the fund is a great option for investors looking for resilience in the next phase of the economic cycle.

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**.

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. 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).

A MEMBER OF  **OLDMUTUAL** INVESTMENTS

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