

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.

Managed Fund

An investment in this fund is actively managed in order to achieve the Investor's income and growth in income expectations, with the potential for long-term capital growth. The fund also provides an Investor with a reliable monthly income payment. The Marriott High Income Fund (FoF) is an ideal component of a Living Annuity portfolio within any Annuity vehicle.

Fund Objective and Investment Approach

The Marriott High Income Fund of Funds has, as its primary objective, a high income yield combined with the protection of the value of capital invested over the long term. The secondary consideration is growth in income. The fund benchmark is a yield higher than the 5 year rolling average yield of the BEASSA ALBI 7-12 years split interest yield index. Investments normally to be included will be participatory interests (units) in portfolios of collective investment schemes registered in South Africa. Investments, apart from liquid assets, will be in fixed interest based portfolios, other income based portfolios, high yielding equity based portfolios and high yielding property equity based portfolios.

Fund Information

Registered Name	Marriott High Income Fund of Funds
Fund Size	R 3,798,547,736.71
Distribution (Class A)	4.9124 cpu
Distribution (Class C)	5.1574 cpu
Price (NAV) (Class A)	1,008.24 cpu
Price (NAV) (Class C)	1,008.49 cpu

Key Features

Fund Classification (ASISA)	South African – Multi Asset – Income
Inception Date	1 October 2001
Base Currency	ZAR
Minimum Initial Investment	R500
Minimum Additional Investment	R300
Minimum Debit Order	R300
Distribution Declaration	Last working day of each month
Distribution Payment Dates	2 to 4 working days after declaration
Instruction Cut-off	15h00 daily
Fund Valuation Frequency	15h00 daily

Fees (excluding VAT)

	Class A	Class C
Marriott Initial Fee	0 %	0 %
Marriott Annual Management Fee	1 %	0.75 %
Advisor Initial Fee (max)	3 %	3 %
Advisor Annual Fee (max)	0.5 %	0.5 %

TER/TC (including VAT)

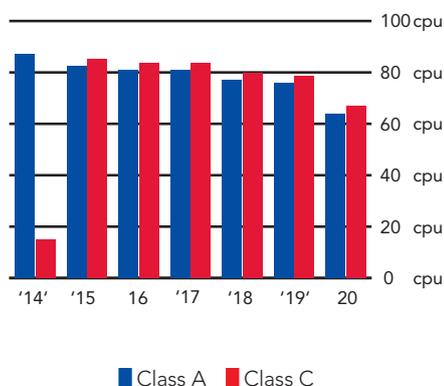
	Class A	Class C
Total Expense Ratio	1.19 %	0.91 %
Transaction Costs	0.03 %	0.03 %

Risk Category Moderately Conservative

Low Medium High

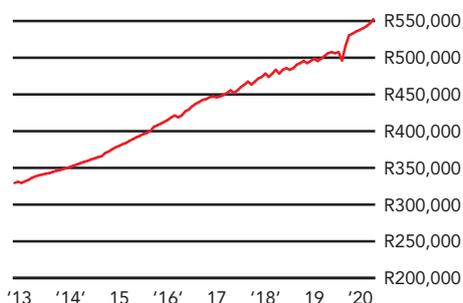
This fund aims to provide a secure income stream with stability in capital. It also aims for modest growth on invested capital.

Distributions Since 2014
(Paid monthly in cents per unit)



Source: Marriott

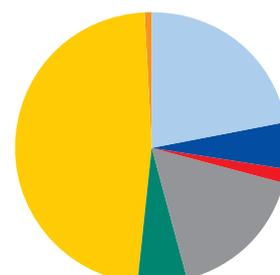
Total Returns Since Nov 2013
(Assuming R100,000 invested at inception)



Source: Marriott

Current Asset Allocation

- Cash and Short Term Fixed Deposits 22.2%
- Medium Term Fixed Deposits 5.4%
- Preference Shares 1.8%
- Floating Corporate Debt 16.7%
- Fixed Corporate Debt 5.6%
- RSA Government Bonds 47.7%
- Real Estate Inv Trusts 0.6%



Source: Marriott

Fund Limits and Constraints

None, other than the Collective Investment Schemes Control Act.

Performance

Net of all fees and expenses as per the TER disclosure (including income)

Class A

Annualised (pa)	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	Since - Nov 2013	Volatility of Return Since Nov 2013	
							Highest 12 Mths	Lowest 12 Mths
Income Return	7.1%	7.6%	7.9%	8.0%	8.1%	9.3%	-	-
Price Return	2.9%	1.9%	1.1%	0.8%	0.5%	0.0%	-	-
Total Return	10.0%	9.5%	9.0%	8.8%	8.6%	9.3%	11.9%	3.0%

High Income Fund changed ASISA category from SA-Multi Asset-Flexible to SA-Multi Asset-Income in Nov 2018. Performance history from Nov 2013 has been retained.

Class C

Annualised (pa)	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	Since Inception (Nov 2014)	Volatility of Return Since Inception	
							Highest 12 Mths	Lowest 12 Mths
Income Return	7.4%	8.0%	8.2%	8.4%	8.4%	8.4%	-	-
Price Return	2.9%	1.9%	1.1%	0.8%	0.5%	-0.1%	-	-
Total Return	10.3%	9.9%	9.3%	9.2%	8.9%	8.3%	12.2%	3.7%

High Income Fund C Class launched in November 2014.

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.

Commentary

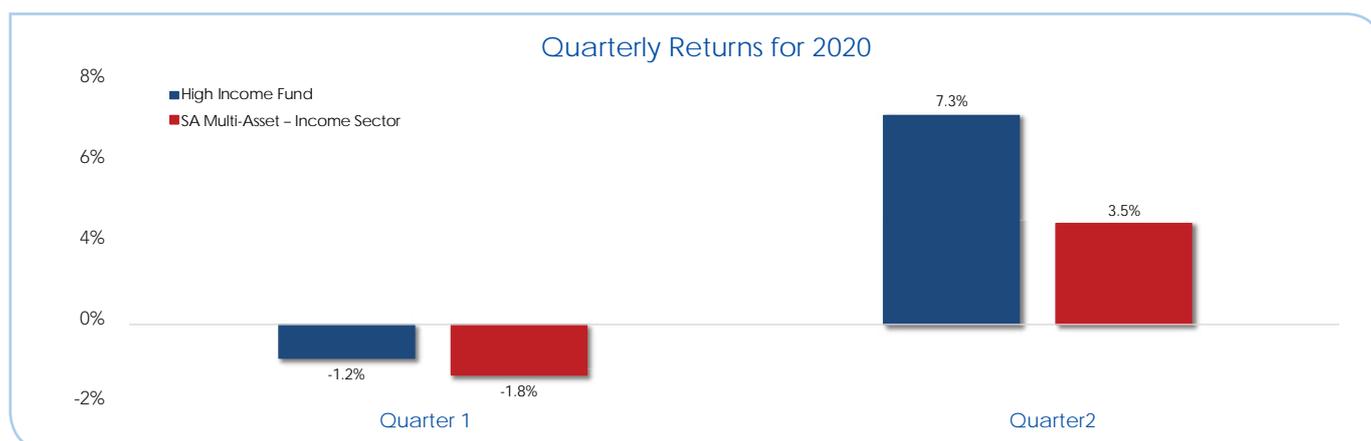
The Marriott High Income Fund has served investors well in recent times, consistently producing a high and reliable level of income combined with inflation beating returns and capital protection. The fund has produced a total return of 10% for 2020 and an impressive 4% p.a. real return over the last 5 years. The below highlights the track record of the High Income Fund compared to other Income Funds.

Total Returns	1 year	3 year	5 year
Marriott High Income Fund	10%	9.0%	8.6%
SA Multi-Asset – Income Sector	5.8%	7.1%	7.4%
SA Interest Bearing – Money Market Sector	5.8%	6.8%	7.1%
SA Interest Bearing – Short Term	6.2%	4.9%	6.3%
SA Interest Bearing – Variable Term	7.3%	7.4%	8.7%
Inflation	3.2%	3.9%	4.6%
Real Return	+6.8%	+6.1%	+4.0%

Source: ProfileData

2020 was certainly a defining year for the fund as we were forced to deal with the impacts of the COVID-19 pandemic, a Moody's junk sovereign credit rating and short-term rates moving down to 50-year lows. In the midst of all the chaos the bond market presented a great opportunity – the chance to invest in a relatively low risk investment at a very attractive yield. Towards the end of March 2020 the R186 (a fixed-rate government bond maturing in 2026) reached a yield as high as 12%. In other words, the government was guaranteeing investors a 12% return per year for the next 7 years. Compare that to the yield on money in the bank today of just above 3%, and one can comprehend the magnitude of the opportunity. During that period of volatility, we invested approximately 40% of the fund into the R186 Government bond locking in a yield of approximately 10% p.a. for investors.

Reflecting on the year we are also pleased with the level of downside protection the fund offered investors. The chart below highlights how: 1) the High Income Fund did not fall as much as the average income fund during the crisis; and 2) a much stronger rebound as a result of taking advantage of the volatility in the bond market.

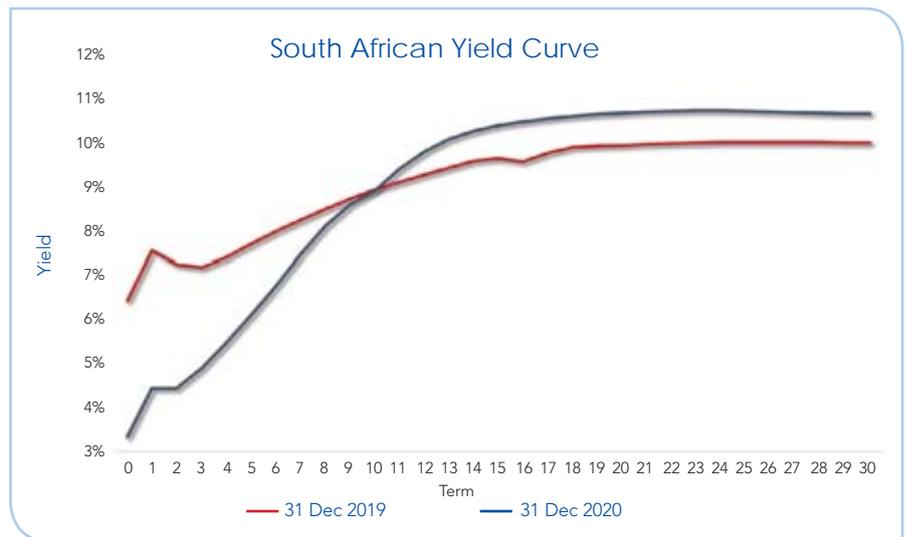


Source: ProfileData

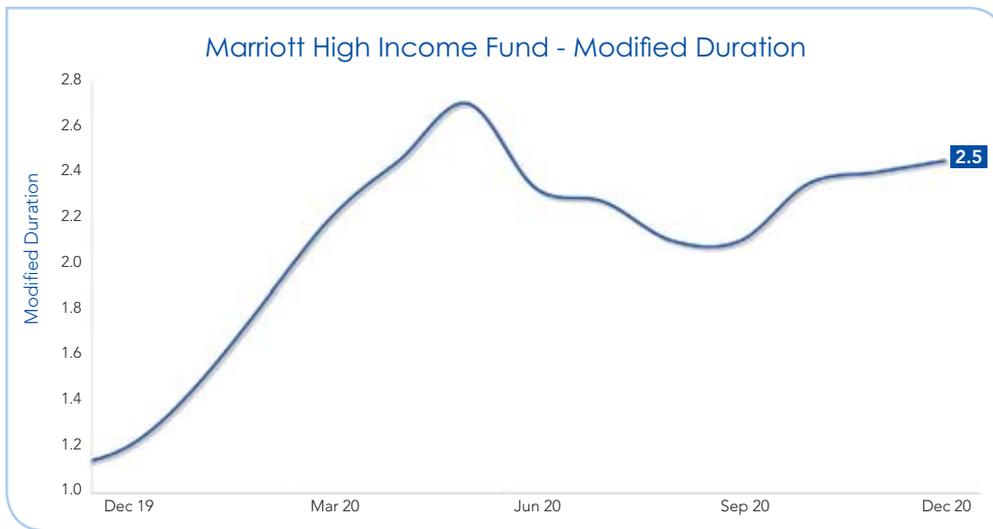
Looking ahead, the graph on the right shows the South African yield curve and how it changed during 2020. The curve is currently the steepest it has been in over 30 years, meaning longer dated bonds are still offering investors significantly higher yields relative to shorter dated bonds. The difference in yield between the R2030 Government Bond (+9 year instrument) and money on call is more than 5%. As such, we believe a higher modified duration (greater expose to longer dated investments) continues to be warranted.

The graph below highlights the fund's current modified duration of approximately 2.5 and how it peaked in the first half of 2020 as we took advantage of higher yields. We continue to manage the fund with a target duration between 2-3, slightly higher than the average duration of the fund in recent years, as investors are currently being adequately compensated for the additional term risk thanks to the steepness in the yield curve.

The fund intends to have a duration closer to 2 (be slightly more conservative) when there is a higher likelihood of bond yields increasing and have a duration closer to 3 (slightly less conservative) when there is a higher likelihood of bond yields decreasing.



Source: IRES



Source: Marriott

Note: Modified Duration helps investors in Income Funds understand how much term risk a fund has taken on. A higher figure means the fund has invested more into longer dated instruments that are generally higher yielding and come with more price volatility. The actual calculated number is an indication of how sensitive the funds price is to a 1% change in yields. The current figure of 2.5 shows that if yields decreased by 1% the fund's price would increase by 2.5%. The opposite is true if yields increased by 1% then the fund's price would decrease by 2.5%.

From an outcome perspective, based on the portfolio's current asset allocation, we expect the High Income Fund to produce 2% more income than money market rates and significantly higher returns than inflation. This makes the Marriott High Income Fund an ideal solution for conservative investors looking for a high level of income with a 24-month time horizon.

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 Client Relationship Team 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. Different classes of units apply to the fund and are subject to different fees and charges. Fund of funds portfolios are portfolios that invest in other portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. Declaration of income accruals are monthly. 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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