

CONTINUATION OF TEMPORARY SUSPENSION OF M&G PROPERTY PORTFOLIO

London, 2 August 2016 – M&G Investments (M&G) has decided to continue the temporary suspension of trading in the M&G Property Portfolio and its feeder fund until further notice. The decision has been taken with the agreement of the Fund's Depository and the Financial Conduct Authority has been informed.

M&G believes suspension is the best way to protect the interests of all the Fund's shareholders. It allows the fund manager time to raise cash levels in a controlled manner so that asset disposals can be achieved at reasonable values.

M&G aims to reopen trading in the fund as soon as practically possible - once conditions in the commercial property market become more normal and the fund manager has raised sufficient cash in the portfolio.

Progress on cash levels has already been made with the disposal of seven assets since 5 July. The fund manager has a cash target of 12.5% of the portfolio, plus additional money for working capital and property maintenance.

The Fund's assets under management as at 31 July were £3.96bn, with a cash position of 5.1%.

On the advice of Knight Frank, the Fund's independent valuer, the M&G Property Portfolio is now being valued twice a month, having been valued weekly during July. Knight Frank continues to report a degree of uncertainty around property asset values.

In consultation with Knight Frank, M&G continues to apply a fair value adjustment to the Fund. An adjustment of £200 million to the value of the Fund was made on 1 July and this was lowered on 20 July to £150 million.

The suspension of the Fund will continue to be reviewed regularly by M&G and the Depository. We will notify Fund shareholders in advance of any lifting of the suspension.

-ENDS-

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Notes to Editors

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 31 December 2015 the firm manages over £246.1 billion of assets through a wide range of investment strategies across equities, fixed income, real estate and multi asset. Headquartered in London, M&G employs over 1,900 people worldwide operating from offices across Europe and Asia. M&G is the investment arm of Prudential Plc in the UK and Europe. M&G Investments is a direct subsidiary of Prudential plc, a company incorporated in the United Kingdom. Prudential plc and its affiliated companies constitute one of the world's leading financial services groups and is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.

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