

Dear Investor

Suspension of dealings in the M&G Property Portfolio and M&G Feeder of Property Portfolio

I am writing to inform you that we have temporarily suspended an M&G fund you are invested in. I would like to explain why we have taken this action, how this affects your investment with M&G and the charges you pay, and where to obtain further updates and information.

We suspended dealing in the M&G Property Portfolio and the M&G Feeder of Property Portfolio from the valuation point at midday on 4 December 2019.

In recent months, continued Brexit-related uncertainty and ongoing structural shifts in the UK retail sector have prompted unusually high outflows from our property fund for retail investors. Given that these circumstances and deteriorating market conditions have significantly impacted our ability to sell commercial property, we have temporarily suspended dealing in the interests of protecting our customers.

The assets owned by the M&G Property Portfolio, such as office buildings and shopping centres, are held for the long term and take time to buy and sell, making it difficult to immediately meet sudden and sustained levels of redemptions. Suspending the funds at this time will allow the fund managers, Fiona Rowley and Justin Upton, time to restore the cash levels by selling assets in an orderly manner and preserve value for our investors.

The decision to suspend was taken in agreement with the funds' Depositary and we have informed the Financial Conduct Authority. We are unable to say how long the funds will be suspended for, but we will formally review the suspension on a monthly basis and will keep you updated via the M&G website. We will also write to you in advance to inform you when we will lift the suspension.

The funds will still be actively managed during suspension, but we understand that being unable to deal in the funds is very frustrating for our customers. In recognition, M&G is waiving 30% of its annual charge, which will end when the funds resume dealing. Suspension will be formally reviewed on a monthly basis and we will inform investors if the level of discount changes. In all other respects, the funds will operate as normal and you will continue to receive income payments, fund reporting and updates as usual.

continued overleaf

Instructions to buy or sell units in the M&G Property Portfolio or the M&G Feeder of Property Portfolio will not be accepted until the suspension is lifted. We will also stop collecting Direct Debits for investments into the suspended funds. When they reopen, we will reinstate the full Direct Debit Instruction from that point. If it covers other M&G funds, it will be reduced to only collect for your other funds. You can make amendments to your Direct Debit Instruction at any time by calling our **Customer Relations** team on **0800 390 390** or by writing to:

M&G Customer Relations
PO Box 9039
Chelmsford
CM99 2XG

We will continue to publish daily prices on **www.mandg.co.uk** so you can value your portfolio, but no instructions will take place at these prices while the funds are in suspension. We will update the M&G website with more information as soon as it is available.

Finally, please be reassured that the suspension of these funds has no effect on any other investments you may have with M&G.

We thank you for your patience and understanding in this matter and for your continued investment with M&G.

Yours sincerely

Laurence Mumford
Authorised Corporate Director
M&G Securities Limited

For more information

If you have any further questions about how the suspension affects your investment in either of these funds, or what you can do during the suspension period, please call our **Customer Relations** team on **0800 390 390**.

Lines are open from 08:00 to 18:00 Monday to Friday and from 09:00 to 13:00 on Saturday. For your security we may record and monitor telephone calls. If you have a financial adviser, please contact them for further information on your investment with M&G.