

M&G Property Portfolio

Suspension of dealings FAQ

On 4 December 2019, M&G temporarily suspended dealing in the M&G Property Portfolio and the M&G Feeder of Property Portfolio (the "Funds"). Please note:

- **This affects no other M&G Fund you may be invested in**
- The Funds will continue to be actively managed in suspension, but in recognition of customers' temporary inability to access their investment, 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

Why has M&G decided to suspend dealing?

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

This is not a decision we took lightly and it has been made to protect the interest of all the funds' investors. A temporary suspension allows the fund managers to sell properties and rebuild cash levels in a controlled way ensuring any sales are achieved at reasonable values.

Will you be suspending dealing on any other M&G property funds?

No. These are the only daily dealing property funds we have.

Can I still invest or place any deals in the Funds?

No. Any deals received after the valuation point on 4 December 2019 will not be accepted until the suspension is lifted. We will make our customers aware that their deals have been rejected as soon as we can after the date of receipt. Any buy or sell orders sent to us while the fund is in suspension will need to be resent to us when the suspension has been lifted.

How long will the Funds be suspended for?

We are currently unable to say how long we expect the suspension to last but we will monitor the situation closely and keep our customers fully informed. The suspension will continue only as long as is in the best interests of our investors.

Any buy or sell orders received during the suspension will be rejected and sent back with an explanation. The instruction will need to be resent to M&G once the suspension is lifted. We will keep you regularly updated via the M&G website. We apologise for the inconvenience caused.

Why aren't you waiving 100% of the fund's annual charge?

The Funds will be actively managed in suspension but we understand that being unable to deal during this time is very frustrating for our customers. In recognition of this temporary inability for customers to access their investment, 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.

When would M&G reopen the Funds?

The decision to reopen the Funds will be taken by M&G in consultation with the Fund's Depositary once cash levels have been sufficiently restored. The suspension will continue only as long as is in the best interests of our investors.

Will the suspension affect my income payments?

No. The funds will continue to make income payments.

What will happen to reinvested income distributions?

If you are currently reinvesting your distributions to buy more shares in the Funds, we will send your income payment by cheque on the payment date. We regret that we cannot hold these payments during the suspension period.

Will income still automatically be reinvested for accumulation shares?

In practice, yes. Income received for accumulation shares is not paid out but is reflected in the value of your holding by including it in the price of accumulation shares. For M&G Feeder of Property Portfolio investors, income paid will be retained in the fund and reinvested when the funds reopen for dealing.

Will the suspension affect the financial statements for the Funds?

No. We will continue to produce financial statements as normal, including extra detail on the suspension.

Will you be issuing valuation statements while the funds are suspended?

Yes. We will continue to provide share prices during the period of suspension. The latest share prices enable you to calculate the value of your holding and can be found on our website.

Does the suspension in any way affect the security of assets in any other M&G funds?

No. The security of assets in other M&G funds is not affected by the suspension. Assets in the funds are secure. A temporary suspension allows the fund managers to sell properties and rebuild cash levels in a controlled way.

What will happen to my regular contributions/Direct Debits to the M&G Property Portfolio?

For M&G investors and myM&G investors holding a GIA account, we will stop collecting Direct Debits for investments into the suspended fund. If you are an investor in multiple funds, then collections will be made for investment into funds unaffected by suspension activity. In all cases, when the fund is reopened for trading, we will reinstate the full Direct Debit Instruction.

For myM&G investors holding an ISA/JISA account, we will continue to collect the full Direct Debit amount, but the amount allocated for investment into the suspended fund will be held in your cash park. If you are an investor in multiple funds, then collections will be made for investment into funds unaffected by suspension activity. In all cases, when the fund is reopened for trading, we will reinstate the full Direct Debit Instruction.

Will stock transfer instructions be permitted?

Any valid instructions to transfer ownership of shares of these Funds will be processed as normal during the suspension period.

Will you write to me to tell me the suspension has been lifted?

Yes. We will also provide shareholders with the most up to date information possible via the M&G website.

Does it make any difference if a holding in the M&G Property Portfolio is within an ISA?

No. Until the suspension is lifted, you will not be able to buy or sell its shares.

Can I use my ISA allowance elsewhere?

If you **haven't** subscribed to an M&G or myM&G ISA in this tax year, then yes.

If you **have** subscribed to an M&G or myM&G ISA in this tax year, then to subscribe to another provider's stocks and shares ISA, you will first need to transfer your current year M&G or myM&G ISA subscriptions in full to your new provider. While the M&G Property Portfolio is still suspended, you will not be able to sell your shares to transfer your ISA. However, if your chosen ISA provider allows it, you may transfer your shares in the suspended fund rather than the proceeds from their sale.

Is my ISA status affected by this?

No. You will continue to benefit from the tax-efficient treatment provided by your ISA. However, you will not be able to sell your shares (or buy more) while the M&G Property Portfolio is still suspended.

Can I use my Junior ISA allowance elsewhere?

You can only have a stocks and shares Junior ISA with one provider. If M&G or myM&G is that provider, you will first need to transfer your Junior ISA with M&G or myM&G in full to your new provider. While the M&G Property Portfolio is still suspended, you will not be able to sell your shares to transfer your Junior ISA (cash transfer). However, if your chosen Junior ISA provider allows it, you may transfer your shares in the suspended fund rather than the proceeds from their sale (in specie transfer).

Can I still use my spouse's shares in the M&G Property Portfolio to make an in specie ISA Additional Permitted Subscription?

Yes. We will still be able to process in specie ISA Additional Permitted Subscriptions.

How can I find out what the value of my investment in the fund is?

As normal, please contact our **Customer Relations** team on **0800 390 390** or log in to your myM&G account. We will show the prices of the funds on our M&G website, www.mandg.co.uk

Are you selling properties?

Yes – it is our immediate priority. The fund managers will be conducting an orderly sale of assets in order to rebuild the fund's cash levels.

Will the Funds continue to be actively managed whilst in suspension?

Yes. The funds will continue to be actively managed and we will report on investment activity as normal.

