M&G CONTINUES TEMPORARY SUSPENSION OF PROPERTY PORTFOLIO

- *Fund's cash level continues to increase*
- *Next planned update on temporary suspension due 3 November*

LONDON, 6 October 2020: The Authorised Corporate Director of the M&G Property Portfolio ("the Fund") has decided, with the agreement of the Fund's Depositary, it can best protect the interests of all of its investors by continuing the temporary suspension in dealing in its shares.

The Fund's current size is £2.1 billion with a cash balance of 10%. We continue to balance the objective of raising the cash level within the Fund with the need to protect the interests of our long term investors.

Since our last update, 82% of rent for Q3 has been collected and five assets have been sold for £38.4 million. A further £234.5 million of asset sales are currently being progressed, of which 59% are in the retail sector. The time taken to dispose of an individual asset typically remains elongated owing to current market conditions, including the practical challenges associated with buyers undertaking due diligence. There is no guarantee that these deals will complete.*

On 9 September, the Fund's Standing Independent Valuer – Knight Frank – lifted Material Uncertainty Clauses (MUCs) from all sectors. As a result, none of the Fund's direct property assets are subject to statements of material uncertainty.

M&G continues to waive 30% of the Fund's annual charge during the temporary suspension in recognition of the inconvenience caused to our clients and customers. In all other respects, the Fund remains actively managed and reported on during the temporary suspension and continues to make income payments.

The ACD and the Depositary reviews the temporary suspension on a 28-day cycle and our next update will be on 3 November or earlier if needed.

Fund activity update

- Cumulative total of asset sales since suspension: £197.6 million
- Assets contractually exchanged or under offer to sell: £239.5 million

*As at the end of September 2020, the cash held by the Fund was 10%. £234.5 million of assets are under offer. There is no guarantee transactions will complete.

ENDS