

M&G CONTINUES TEMPORARY SUSPENSION OF PROPERTY PORTFOLIO

- *Next planned update on temporary suspension due 6 October*

LONDON, 8 September 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 Standing Independent Valuer – Knight Frank – has now lifted Material Uncertainty Clauses (MUCs) from all sectors with the exception of Retail, Leisure and Hospitality, where it deems there is still insufficient transactional evidence on which to base valuations.

As of 28 August, £1.1 billion (54% of the Fund’s net asset value) of the Fund’s direct property assets are no longer subject to a statement of material uncertainty, rising to £1.4 billion (64.7%) if cash, REITs and indirect holdings are taken into account.

After the MUCs for the remaining sectors are lifted, our focus will remain on an orderly sale of properties so we can pay any investors who wish to sell their holdings once the Funds have reopened. Whilst our continued priority is to restore cash levels, we are also balancing our intention to reopen as soon as possible with our responsibility to protect the interests of our long term customers.

Since our last update, 78% of rent for Q2 has been collected and one asset has been sold for £7.3 million. Deals are still taking much longer to conclude due to heightened levels of due diligence and logistical difficulties on behalf of those transacting. The Fund’s current size is £2.1 billion with a cash balance of 8.2% and £129.9 million of assets are in solicitors hands for sale. There is no guarantee that these deals will complete.*

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 6 October, or earlier if needed.

Fund activity update

- Cumulative total of asset sales since suspension: £159.2 million
- Assets contractually exchanged or under offer to sell: £129.9 million

*As at the end of August 2020, the cash held by the Fund was 8.2%. £113.5 million of assets are under offer. There is no guarantee transactions will complete.

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About M&G plc

M&G plc is a leading savings and investments business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly-owned international investment manager. In March 2018, Prudential plc announced its intention to demerge the company with a premium listing on the London Stock Exchange. The demerger became effective on 21 October 2019, when M&G's shares were admitted to trading on the London Stock Exchange. As an independent company, M&G plc has a single corporate identity and continues with two customer-facing brands; Prudential for savings and insurance customers in the UK and Europe and for asset management in South Africa and M&G Investments for asset management clients globally.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate. M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

Its £33.5 billion property arm (as at 30 June 2019 including cash), M&G Real Estate, is a leading financial solutions provider for global real estate investors, has a sector leading approach to responsible property management and is committed to continuously improving the sustainability performance of its funds.

For more information, please visit: <https://global.mandg.com/>

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