

M&G CONTINUES TEMPORARY SUSPENSION OF PROPERTY PORTFOLIO

- *Next planned update on temporary suspension due 8 September*

LONDON, 11 August, 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 – will continue to apply a statement of Material Uncertainty to its valuation of certain assets due to reduced transactional evidence available on which to base valuations. A total of £1.1 billion of the Fund’s direct property assets are no longer subject to a Material Uncertainty Clause, equating to 58.4% of the Fund’s net asset value (NAV) as of 31 July. Including the Fund’s cash, REITs and indirect holdings, £1.4 billion of assets (65.6% of the Fund’s NAV) are no longer subject to a Material Uncertainty Clause as of 31 July.

With several of the Fund’s tenants paying rents on a monthly basis, 77% of the Fund’s billable rent and service charge for June has been collected and income returns will continue to be influenced by the level of rental income received from tenants.

The fund has around £134.3 million of assets in solicitors hands for sale. There is no guarantee transactions will complete.*

Reopening the Fund for dealing will depend on cash levels but will also be contingent on the Material Uncertainty Clause being adequately lifted. The Fund’s current size stands at £2.1 billion.

The Fund continues to be actively managed and reported on during suspension and M&G continues to waive 30% of the Fund’s annual charge in recognition of the inconvenience caused to our clients and customers.

The ACD and the Depositary reviews the temporary suspension on a 28-day cycle and we will provide you with our next update on 8 September, or earlier if needed.

Fund activity update

- Cumulative total of asset sales since suspension: £155.5 million

- Assets contractually exchanged or under offer to sell: £139.3 million

*As at the end of July 2020, the cash held by the Fund was 8.2%. £134.3 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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