

TEMPORARY SUSPENSION OF M&G PROPERTY PORTFOLIO CONTINUES

- *Next planned update on temporary suspension due 16 June*
- *Continued waiver of 30% of the Fund's annual charge*

LONDON, 19 May, 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 its investors by continuing the temporary suspension in dealing in its shares.

The Fund's Standing Independent Valuer – Knight Frank – also continues to apply a statement of Material Uncertainty to their valuation because of the reduced transactional evidence available on which to base valuations.

Given the effective lockdown of the UK in mid-March, transactions in commercial real estate have largely stalled, as a result of investors inability to travel, inspect properties and undertake physical due diligence. The Fund has approximately £197.4 million under offer for sale, albeit with reduced certainty of completion whilst social distancing measures continue.

Assuming all assets which have exchanged or are under offer were to complete, the cash position would rise to 17.7%*. Reopening the Fund for dealing will depend on cash levels but will also be contingent on the material uncertainty clause being lifted.

Tony Brown, Global Head of M&G Real Estate, says: "Although there is a significant amount of capital waiting to enter the market, for practical reasons we are seeing a considerable slowdown in capital markets activity and it is likely to be some time before investment volumes recover to more normalised levels. In the interim the fund management team remains focused on actively managing the portfolio through this challenging period."

The Fund continues to be actively managed during suspension, including income payments and fund reporting. Given the Fund's lower rent collection for the March quarter compared to previous quarters, we expect a corresponding reduction in the level of income distributions. M&G also 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 will continue to review the temporary suspension on a 28-day cycle and we will provide you with our next update on 16 June, or earlier if needed.

Fund activity update

- Cumulative total of completions since suspension: £113.6 million
- Exchanged/under offer to sell: £232.15 million

We are grateful for your continued patience and hope everyone is staying safe and healthy.

ENDS

*As at the end of April 2020, the cash held by the Fund was 7.3%. £232.15 million of assets have exchanged or are under offer, which would take the total cash holding to 17.7%, assuming all deals complete. There is no guarantee transactions will complete.

About M&G

M&G Investments is part of M&G Plc, a savings and investment 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. M&G Plc listed as an independent company on the London Stock Exchange in October 2019 and has £352 billion of assets under management (as at 31 December 2019). M&G Plc has over 5 million customers in the UK, Europe and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

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. 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 31 December 2019 including cash), M&G Real Estate, is a leading 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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