

## M&G set to close M&G Property Portfolio

**London: 19 October 2023** – M&G Investments today announces its intention to close the M&G Property Portfolio (the Fund) due to declining interest in open-ended daily dealing property strategies from UK retail investors. The decision has been made in the best interests of all investors and is subject to regulatory approval. The Fund – and its feeder fund – has suspended dealing in shares and M&G is writing to clients on next steps.

Once a popular type of vehicle for UK retail investors to access real estate, the IA UK Direct Property sector has seen persistent outflows over several years. As the Fund has continued to decrease in size, it has reduced the Manager's long-term ability to maintain a diversified portfolio without incurring high, on-going transaction costs required to configure the portfolio – particularly against a backdrop of continued and potentially accelerating outflows.

Upon regulatory approval, an orderly sales programme of the Fund's assets will commence, with the objective of ensuring that fair market prices are achieved. In the current market conditions, M&G expects it will take approximately 18 months for the majority of the portfolio to be sold and money will be returned to clients when cash becomes available throughout this period. In recognition of this outcome, M&G has reduced the Annual Charge by 30% as of today and abolished it entirely on cash. Income distributions will continue to be paid as normal.

**Commenting, Neal Brooks, M&G's Global Head of Product & Distribution, says:** "When we launched this strategy in 2005, we – alongside our peers – provided access to an asset class which had historically been unavailable to long term savers in a pooled structure. The market has since evolved. Declining retail investor interest across the sector for this fund structure, alongside uncertainty around their future composition is posing challenges to the future viability of funds like the M&G Property Portfolio – particularly for those investors who require daily liquidity. We considered various options, but believe this is the right decision for our investors."

The decision to suspend was made by M&G Securities Limited, the Funds' Authorised Corporate Director, in agreement with the Fund's Depositary. The Financial Conduct Authority (FCA) has been informed.

Orders placed after midday or after 11am on MyM&G on 19 October will not be accepted. M&G will keep clients regularly informed of progress on the M&G website and through other channels.

**-ENDS-**

**If you require any further information, please contact:****Irene Chambers**

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**Notes to Editors**

As of 19 October, the Fund has £565 million in assets under management, 17.24% cash and 25 properties.

**About M&G Investments**

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 £332 billion of assets under management (as at 30 June 2023). M&G plc has over 5 million customers in the UK, Europe, the Americas 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.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

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

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