

TEMPORARY SUSPENSION OF M&G PROPERTY PORTFOLIO CONTINUES

- *Next planned update on temporary suspension due 19 May*
- *Continued waiver of 30% of the Fund's annual charge*

LONDON, 21 April, 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.

Additionally, the Fund's Standing Independent Valuer – Knight Frank – continues to apply the statement of material uncertainty based on the reduced transactional evidence available on which to base valuations. In the meantime a higher degree of caution should be attached to all UK property assets than usual.

While the majority of assets identified for sale by the fund managers are on hold due to COVID-19, a £38.8 million retail warehouse sale completed earlier this month alongside a £4.7 million ground rent sale. A further £40.8 million of assets have also exchanged. A total of £197.4 million is now under offer for sale and cash levels at the end of March 2020 were 7.33%. Assuming all assets under offer exchange and complete, the cash position will rise to 17.7%*, but reopening the Fund for dealing will also be contingent on the material uncertainty clause being lifted.

M&G Real Estate's asset managers are in regular dialogue with occupiers to maintain the important focus on receipt of rental income. To that end, 66% of the Fund's usual quarterly rent roll has been paid, which was due at the end of March and we continue to collect rent from other occupiers – the outstanding amount is still being processed. A further 24% of rent due has either been deferred or tenants will move to monthly instead of quarterly payments.

Tony Brown, Global Head of M&G Real Estate, comments: "We take our responsibilities as a major commercial property owner very seriously. We are supporting tenants to find solutions that help protect businesses in distress, whilst also protecting the interests of the many savers and pensioners whose money is invested in our buildings. We are doing all we can to preserve value during this period of market stress and are working with occupiers to balance business continuity with our objective to deliver returns at this very difficult time for all."

The Fund continues to be actively managed during suspension, with income payments and fund reporting as normal. 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 19 May, or earlier if needed.

Fund activity update

- Sales since the last update: £43.4 million
- Cumulative total of completions since suspension: £113.6 million
- Exchanged/under offer: £238.2 million

We thank you for your continued patience and hope everyone is staying as healthy and safe as is possible at this difficult time.

ENDS

*As at the end of March 2020, the cash held by the Fund was 7.3%. £238.2 million of assets have exchanged or are under offer, which will take the total cash holding to 17.7%, assuming all deals complete. There is no guarantee all deals 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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