

UPDATE ON TEMPORARY SUSPENSION OF M&G PROPERTY PORTFOLIO

LONDON, 28 January 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 investors in the Fund by maintaining the temporary suspension in dealing in its shares.

Continued suspension will allow the Fund’s managers to carry on raising cash to meet client redemptions in an orderly fashion, while preserving value for the Fund’s shareholders in the long term.

Dealing in the units of the M&G Property Portfolio was temporarily suspended on 4 December 2019, due to high levels of withdrawals by investors related to ongoing uncertainty over Brexit during 2019 and structural shifts in the UK retail sector. Since then, the Fund’s managers have made good progress in raising cash by making selective disposals at market prices, while maintaining a balanced portfolio which allows them to continue to deliver the Fund’s objective of providing income and growth.

Since the Fund’s suspension, we have exchanged or completed on the sale of £70.4 million of assets and a further £172.2 million are either under offer or in solicitors’ hands. As at the end of December 2019, the cash held by the Fund was 4.8%.

Jack Daniels, Chief Investment Officer of M&G plc, says: “Since suspending the Fund, we’ve been encouraged by the support of many investors in the Fund, who understand our decision to give the managers room and time to complete disposals from the portfolio at fair prices. While customers want ready access to their investments, it’s also important that their long-term interests are protected.”

“Historically, we have held a low cash buffer in the conviction that our customers pay us to invest their money, not to keep it idle - particularly in times of near-zero cash interest rates. We believe that as an asset class, commercial property continues to have an important role to play in helping customers diversify their investment portfolios.”

The Fund continues to be actively managed during suspension of dealing, with income payments and fund reporting as normal. M&G will continue to waive 30% of the annual charge for the Fund in recognition of the inconvenience caused to investors.

Fund activity update:

- The Fund's retail vacancy rate (as of end December 2019) is below the MSCI IPD Quarterly Universe Index at 3.4% versus 5.14%.
- Completions since the end of December: no change
- Contracts exchanged since the end of December: no change
- Under offer/in solicitors' hands: £172.2 million

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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 £341 billion of assets under management (as at 30 June 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 30 June 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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