



## **M&G APPLIES A FAIR VALUE ADJUSTMENT ON THE M&G PROPERTY PORTFOLIO**

**London, 1 July 2016:** M&G Investments (M&G) today announces that it is applying a fair value adjustment (FVA) to the M&G Property Portfolio. It takes immediate effect from today, 1 July.

M&G believes the FVA, equivalent to a 4.5 per cent reduction of the net asset value of the Fund, is in the best interests of all the Fund's shareholders at a time of continued market uncertainty following the outcome of last week's referendum.

The decision to apply the FVA has been made in consultation with Knight Frank, the Fund's independent valuer. The Fund's Depositary has been consulted and the Financial Conduct Authority has been notified.

The £4.6 billion M&G Property Portfolio invests in a portfolio of 182 UK commercial properties and is available to UK retail investors.

In reaching its decision, M&G has sought to balance the interests of shareholders who may leave the Fund with the interests of those who remain at a time when it is increasingly difficult to ascertain the market value of the Fund's underlying assets.

In these circumstances, there is a risk that investors who redeem will receive too high a value for their shares at the expense of those who stay in the Fund. An FVA aims to ensure fair treatment for all shareholders while market uncertainty persists.

In the meantime, Knight Frank will continue to carry out weekly valuations of the portfolio and more frequently if necessary.

**ENDS**

**For further information please contact:**

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**Notes to Editors:**

- The Fair Value Adjustment is an adjustment to the value of the Fund's assets invested in direct property and will be included in the calculation of the Net Asset Value of the Fund at today's valuation point. The impact of the adjustment will be included in the dealing prices applied to all of today's deals.
- The feeder fund for the M&G Property Portfolio will be similarly impacted by the FVA.

### **About M&G**

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 31 December 2015 the firm manages over £246.1 billion of assets through a wide range of investment strategies across equities, fixed income, real estate and multi asset. Headquartered in London, M&G employs over 1,900 people worldwide operating from offices across Europe and Asia. M&G is the investment arm of Prudential Plc in the UK and Europe. M&G Investments is a direct subsidiary of Prudential plc, a company incorporated in the United Kingdom. Prudential plc and its affiliated companies constitute one of the world's leading financial services groups and is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.

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