

M&G Property Portfolio to reopen for dealing

LONDON, 20 April 2021: M&G Investments announces that it will reopen the M&G Property Portfolio and its feeder fund, the M&G Feeder of Property Portfolio (the Funds) for dealing as of midday on 10 May 2021. The decision to lift the suspension has been taken by the Fund's Authorised Corporate Director (ACD) and its Depositary, who are now satisfied the Fund has a suitable liquidity position for customers who wish to sell their investment and for those who wish to remain invested. The Financial Conduct Authority has also been notified.

A total of 38 carefully selected properties have been exchanged or sold by the Fund's Manager, Justin Upton, resulting in reduced portfolio risk, strengthening the Fund's income stream and decreasing the vacancy rate to 7.2%. All assets sold or exchanged during suspension were at a combined -0.1% discount to their net asset value, of which 38.8% were disposals of Retail properties. Cash now stands at 33.2%*.

At a sector level, the Fund has reduced exposure to Retail from 38.4% to 28.1% and is now overweight to Industrials. Assets in the Office sector are focused on Central Business Districts. The portfolio's exposure to prime and good secondary assets will enhance distribution potential. More than 90% of both rental income and service charges for 2020 has been collected and the Fund has delivered an income distribution of 4.7%.

Laurence Mumford, Chair of the Fund's ACD, M&G Securities Limited, comments: "We deeply regret the inconvenience that suspension has caused our customers and clients. The decision to suspend was taken to protect the interests of all of our investors, enabling the fund manager to sell assets in an orderly fashion. We believe this has preserved value for customers, while also maintaining the integrity and future prospects of the fund."

The next three weeks will give clients and customers the time to consider their investment in the Fund. It should also allow external investment platforms the time to make necessary arrangements for the Fund to be available on their trading systems.

M&G is also making several changes to the Funds, including the pricing methodology, which will change to dual pricing on a full spread basis from 25 June. This will provide greater dealing clarity, reduce the potential for large price fluctuations and provide stronger alignment with the Fund's long term horizon. In addition, the recently updated target cash weighting - circa 20% in normal market conditions - will enhance liquidity management.

M&G will bear the costs of implementing these changes and a letter with a detailed explanation of the changes is being sent to M&G's customers and clients, which can be found on our [website](#).

In recognition of the inconvenience caused to customers and clients, M&G has waived 30% of the Funds annual charge during suspension. This will continue until the Fund reopens. M&G will also continue to waive the fee on cash held above 20% until the end of 2021.

For more information about your investment and the resumption of dealing, please [visit our website](#) or call our Customer Relations team on 0800 390 390 quoting your client reference.

Fund overview

- Fund manager: Justin Upton
- Assistant Fund Manager: James Mieville
- Total asset sales since suspension: £702.7 million
- Current assets exchanged or under offer: £253.1 million
- Income distribution: 4.7%
- Fund AUM: £ 2.07 billion as of 19 April 2021
- Fund cash balance: 33.2% as of 19 April 2021
- Number of properties: 54 as of 19 April

*as of 19 April 2021.

-ENDS-

If you require any further information, please contact:

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Notes to Editors

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 £367 billion of assets under management (as at 31 December 2020). 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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