

# SUSPENDED - M&G Property Portfolio Sterling Class I – Accumulation shares

Fund Factsheet as at 30 April 2024

## Fund description

On 19 October 2023, M&G announced the suspension of dealing in the M&G Property Portfolio and its feeder fund with a view to closing the funds. The decision was made in the best interests of all investors. The closure of the funds began on 29<sup>th</sup> December 2023.

The fund aims to provide a higher total return (capital growth plus income), net of the Ongoing Charge Figure and Property Expense Ratio, than the average return of the IA UK Direct Property Sector over any five-year period, by investing at least 70% of the fund directly in UK commercial property. This may be reduced to 60%, if it is considered prudent for liquidity management. The fund invests in different types of commercial property, wholly or mainly in the UK. The fund manager selects attractively priced properties from across a range of sectors and regions, seeking to add value by actively managing and developing each property to enhance its capital and rental income.

## The main risks associated with this fund

For any past performance shown, please note that past performance is not a guide to future performance.

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

The fund invests mainly in property. This type of fund can carry a higher risk and experience bigger price gains and falls than a fund which invests in different types of assets.

Commercial property can be more difficult and take longer to buy and sell than bonds and company shares. In extreme market conditions, or if significant numbers of investors withdraw their investments from the fund at the same time, the manager may be forced to dispose of property investments. This may result in less-than-favourable prices being obtained in the market for those investments. Suspension of all dealings could become necessary to balance the interests of continuing shareholders with those seeking to redeem.

Property valuations are provided by an independent valuer and are subject to the judgement of the valuer.

Further risk factors that apply to the fund can be found in the fund's Prospectus.

## Things you should know

M&G Property Portfolio invests in assets that may at times be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks, see the prospectus and key investor information document.

## Largest holdings

	Town	Sector
Portland & Riding Estate	London	Office
Medway Valley Leisure Park	Rochester	Other
3 Temple Quay	Bristol	Office
Fremlin Walk	Maidstone	Shopping Centre
Selly Oak Student Quarter	Birmingham	Other
Sites A1 - A29 Altens Industrial Estate	Aberdeen	Industrial
Orbital One Trading Estate	Dartford	Industrial
8 Greenwich View Place	London	Other
Southwater Square	Telford	Other
Leatherhead Trade Park	Leatherhead	Industrial

Largest 10 assets, as a proportion of the portfolio: 76.46%

## Allocation (%)

	Fund
Property	72.6
Cash	20.0
Equities	7.4

## Key information

Fund manager(s)	Michael Wood
Fund manager tenure from	19 October 2022
ISIN	GB00B8FYD926
Launch date of fund	18 January 2013
Launch of share class	18 January 2013
Fund size (millions)	£ 400.31
Benchmark(s)	IA UK Direct Property sector
Benchmark type	Target
Number of properties	20
Historic yield	5.37%
Cash and near cash	20.01%
Payment dates	Feb, May, Aug, Nov
Ex-dividend dates	Jan, Apr, Jul, Oct

## Charges

Maximum entry charge	0.00%
Ongoing charge	0.75%

## Fund ratings as at 30 April 2024

GRESB Rating



Past performance is not a guide to future performance.

Ratings should not be taken as a recommendation.

## Contact M&G

### Private Investors

[www.mandg.com/investments/private-investor/en-gb](http://www.mandg.com/investments/private-investor/en-gb)  
0800 390 390

### Charities

[www.mandg.com/investments/charities/en-gb](http://www.mandg.com/investments/charities/en-gb)

For your protection calls may be recorded or monitored.

### Professional investor

[www.mandg.com/investments/professional-investor/en-gb](http://www.mandg.com/investments/professional-investor/en-gb)

### Institutional

[www.mandg.com/investments/institutional/en-gb](http://www.mandg.com/investments/institutional/en-gb)

## Fund codes and charges

Share class	ISIN	Bloomberg	Currency	Share class launch date	Ongoing charge	Historic yield	Minimum initial investment	Minimum top up investment
Sterling A Acc	GB00B8G41W07	MGPTAAG LN	GBP	18/01/2013	1.03%*	5.02%	£500	£100
Sterling A Inc	GB00B8G9TT83	MGTPAIG LN	GBP	18/01/2013	1.03%*	6.34%	£500	£100
Sterling D Acc	GB00B89PNJ11	MGTPDAG LN	GBP	18/01/2013	0.57%*	5.62%	£500,000	£10,000
Sterling D Inc	GB00B8FQVP09	MGTPDIG LN	GBP	18/01/2013	0.57%*	6.35%	£500,000	£10,000
Sterling I Acc	GB00B8FYD926	MGTPIAG LN	GBP	18/01/2013	0.75%*	5.37%	£500,000	£10,000
Sterling I Inc	GB00B89X8P64	MGTPPIG LN	GBP	18/01/2013	0.75%*	6.38%	£500,000	£10,000
Sterling R Acc	GB00B89MXM58	MGTPRAG LN	GBP	18/01/2013	0.92%*	5.16%	£500	£100
Sterling R Inc	GB00B6S0YV23	MGTPRIG LN	GBP	18/01/2013	0.92%*	6.35%	£500	£100

Any ongoing charge figure with \* indicates an estimate. The ongoing charge figure may vary from year to year, and excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Annual Charge which may be discounted depending on the size of the fund. The ongoing charges figures does not take into account the property operating expenses (PER) incurred indirectly via the M&G Property Portfolio. Included in the PER are repairs and maintenance, insurance, letting costs but not improvements. For further details, please see the fund's Key Investor Information Document (KIID). The fund's annual report for each financial year will include details on the exact charges made. Please go to [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) to view the Costs and charges illustration which contains information on the costs and charges applicable to your chosen fund and share class.

Please note that not all of the share classes listed above might be available in your country. Please see the Important Information for Investors document and the relevant fund's Prospectus for more information on the risks associated with this fund and which share classes are available for which product and which investor type.

The Company has been established as a dual-priced OEIC, meaning that its Shares have different buying (offer) and selling (bid) prices. Shares will ordinarily be issued at the offer price and redeemed at the bid price. Each day the assets of the Fund are valued on both an 'offer' basis (how much they would cost to buy) and a 'bid' basis (how much the Fund would receive if they were sold). The difference between the two prices is known as the "spread" and reflects the costs of buying and selling properties, in particular Stamp Duty Land Tax paid on purchases which can account for up to 5% of the property value. The spread is significant and can be in excess of 6%, meaning you may see a drop in the value of your investment immediately after buying a share. This spread is generally larger than for funds not investing in Property Assets and therefore the risk of an investment being worth less than when originally purchased is greater, particularly in the short-term.

## Geographical breakdown (%)

Geography	Fund (%)
Central London	41.6
South East	12.1
Other	4.1
Midlands	15.2
The North	1.0
South West	0.0
Scotland	12.7
Wales, N.Ireland & offshore	13.3

## Industry breakdown (%)

Industry	Fund (%)
Other	37.5
Office	29.6
Industrial	22.7
Shopping Centre	7.5
Mixed Commercial	1.5
Supermarket	1.0
Retail Warehouse	0.1
Designer outlet	0.1
Standard Retail	0.1

Industry breakdown is net of cash and near cash, and reflects the fund's direct and indirect investments in property. It includes shares in UK real estate investment trusts (REITs), which invest in property and are listed on the London Stock Exchange.

## Single year performance (5 years)

From	01/05/23	01/05/22	01/05/21	01/05/20	01/05/19
To	30/04/24	30/04/23	30/04/22	30/04/21	30/04/20
■ Sterling I Accumulation	-11.4%	-14.7%	10.9%	-5.1%	-9.4%
■ IA UK Direct Property	-1.8%	-11.0%	11.3%	-1.2%	-3.4%

## Performance over 5 years



Past performance is not a guide to future performance.

**Performance comparison:** The fund is actively managed. The benchmark is a target against which the fund's performance can be measured. The sector has been chosen as the fund's target benchmark as the fund is a constituent of the sector. The target benchmark does not constrain the fund's portfolio construction.

**Source:** Morningstar, Inc and M&G, as at 30 April 2024. Returns are calculated on a price to price basis with income reinvested. Benchmark returns stated in GBP terms.

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## Important information

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With effect from November 2023, we are reporting using our internal accounting book of record (ABOR) moving away from the investment book of record (IBOR) used for reporting up to October 2023.

On 18 January 2013, the M&G Property Portfolio converted to a property authorised investment fund (PAIF) with the same name, investment strategy, approach and fund manager as the existing unit trust, which was launched on 8 November 2005. The PAIF is compliant with HMRC's Property Authorised Investment Fund regime and, as a result, eligible investors can receive gross income if invested directly in the PAIF. A feeder fund, the M&G Feeder of Property Portfolio, was also established to cater for those investors unable to administer a PAIF or corporate investors that would otherwise own more than 8% of the fund.

The M&G Property Portfolio (unit trust) launched on 8 November 2005.

Past performance is not a guide to future performance. We are unable to give financial advice. If you are unsure about the suitability of your investment, speak to your financial adviser.

The historic yield expresses the last four quarters' distributions as a percentage of the current net asset value per share (NAV). The proportion of the distribution comprising income from property and interest on cash is calculated gross of the basic rate of tax, as per AREF standard practice. Expenses are charged to capital.

Industry breakdown is net of cash and near cash.

The SUSPENDED - M&G Property Portfolio is a stand alone OEIC.

Sector: Morningstar category averages represent the average return of funds within their category over time. The category averages are created by using the average daily total return index series, or TRI, as well as monthly, quarterly, and annual averages of return and non-return data. Morningstar applies a fractional weighting methodology whereby, on the last day of each month, the funds are equally weighted and the share classes within each fund are equally weighted. Fractional weighting ensures that funds with multiple share classes do not dominate and skew the returns of the average, thus presenting the peer group performance in a fair and consistent manner.

This financial promotion is issued by M&G Securities Limited which is authorised and regulated by the Financial Conduct Authority in the UK and provides ISAs and other investment products. The company's registered office is 10 Fenchurch Avenue, London EC3M 5AG. Registered in England No. 90776.

## Glossary

This glossary provides an explanation of terms used in this factsheet and in our literature.

**Accumulation shares:** A type of share where distributions are automatically reinvested and reflected in the value of the shares.

**Asset allocation:** Allocating a portfolio's assets according to risk tolerance and investment goals.

**Asset-backed securities:** Bonds (fixed income securities) backed by assets that produce cashflows, such as mortgage loans, credit card receivables and auto loans.

**Benchmark (Constraint):** The portfolio must replicate the securities contained in the benchmark and their weights. The benchmark can be an index or a sector. Depending on the fund's mandate, the managers can replicate the positions directly or via derivatives, which are instruments whose value is derived from that of an underlying security or pool of securities.

**Benchmark (Target):** A benchmark, such as an index or sector, which the fund managers aim to match or exceed. The managers have freedom in choosing the securities and strategy by which they do so.

**Benchmark:** Measure, such as an index or sector, against which a portfolio's performance is judged.

**Benchmark (Comparator):** The fund managers choose the benchmark, which may be an index or a sector, as a comparator for the fund's performance, but they do not have to replicate its composition. The benchmark is not used for any other purpose, such as, for example, to serve as a reference when setting performance fees.

**Bond:** A loan in the form of a security, usually issued by a government or company. It normally pays a fixed rate of interest (also known as a coupon) over a given time period, at the end of which the initial amount borrowed is repaid.

**Cash equivalents:** Deposits or investments with similar characteristics to cash.

**Consumer prices index (CPI):** An index used to measure inflation, or the rate at which prices for a basket of goods and services bought by households change.

The contents of the basket are meant to be representative of products and services consumers typically spend money on, and are updated regularly.

**Convertible bonds:** Fixed income securities (bonds) that can be exchanged for predetermined amounts of company shares at certain times during their life.

**Corporate bonds:** Fixed income securities issued by a company. They are also known as bonds and can offer higher interest payments than bonds issued by governments as they are often considered more risky. Also referred to by investors as "credit."

**Coupon:** The interest paid by the government or company that has raised a loan by selling bonds. It is usually a fixed amount, calculated as a percentage of the total loan and paid out at regular intervals.

**Credit default swap (CDS):** An insurance-like contract that allows an investor to transfer the default risk of a bond to another investor. The buyer of the CDS pays regular premiums to the seller, who has to reimburse the buyer in the event of the underlying bond defaulting. A CDS is a type of derivative – a financial instrument whose value and price is dependent on the underlying asset.

**Credit rating agency:** A company that analyses the financial strength of issuers of fixed income securities (bonds) and attaches a rating to their debt. Examples include Standard & Poor's, Moody's and Fitch.

**Derivatives:** Financial instruments whose value and price depend on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or directly between two parties (over the counter).

**Distribution yield:** The amount that is expected to be distributed by the fund over the next 12 months expressed as a percentage of the share price as at a certain date. It is based on the expected gross income from the current portfolio calculated in accordance with the fund's distribution policies less the ongoing charges where they are deducted from income.

**Dividend yield:** Annual income distributed by a company as a percentage of its share price as at a certain date.

**Duration:** A measure of the sensitivity of a fixed income security (bond) or bond fund to changes in interest rates. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

**Emerging economy or market:** Country in the process of catching up with developed economies, with rapid growth and increasing industrialisation. Investments in emerging markets are generally considered to be riskier than those in developed markets.

**Equities:** Shares of ownership in a company. They offer investors participation in the company's potential profits, but also the risk of losing all their investment if the company goes bankrupt.

Ex-dividend, ex-distribution or xd date: The date on which declared distributions officially belong to underlying investors. On the XD date, the stock's price usually falls by the amount of the dividend, reflecting the payout.

**Exposure:** The proportion of a fund invested in a particular share/fixed income security/index, sector/region, usually expressed as a percentage of the overall fund.

**Fixed income security:** A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid. Also referred to as a bond.

**Floating rate notes (FRNs):** Securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.

**Gilts:** Fixed income securities issued by the UK government. They are called gilts because they used to be issued on gilt-edged paper.

**Government bonds:** Loans issued in the form of fixed income securities by governments. They normally pay a fixed rate of interest over a given time period,

at the end of which the initial investment is repaid.

**Hard currency (bonds):** Fixed income securities (bonds) denominated in a highly traded, relatively stable international currency, rather than in the bond issuer's local currency. Bonds issued in a more stable hard currency, such as the US dollar, can be more attractive to investors where there are concerns that the local currency could lose value over time, eroding the value of bonds and their income.

**Hedging:** A method of reducing unnecessary or unintended risk.

**High yield bonds:** Loans taken out in the form of fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better-quality, higher-rated fixed income securities, but they have the potential for higher rewards. Default means that a bond issuer is unable to meet interest payments or repay the initial amount borrowed at the end of a security's life.

**Historic yield:** The historic yield reflects distributions declared over the past 12 months as a percentage of the share price as at the date shown.

**Income shares:** A type of share where distributions (also called dividends) are paid out as cash on the payment date.

**Index-linked bonds:** Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.

**Investment association (IA):** The UK trade body that represents fund managers. It works with investment managers, liaising with government on matters of taxation and regulation, and also aims to help investors understand the industry and the investment options available to them.

**Investment grade bonds:** Fixed income securities issued by a government or company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk of default than those issued by issuers with lower credit ratings. Default means that a borrower is unable to meet interest payments or repay the initial investment amount at the end of a security's life.

**Leverage:** When referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to a fund that borrows money or uses derivatives to magnify an investment position.

**Local currency bonds:** Bonds denominated in the currency of the issuer's country, rather than in a highly traded international 'hard' currency, such as the US dollar. The value of local currency bonds tends to fluctuate more than that of bonds issued in a hard currency, as these currencies tend to be less stable.

**Long position (exposure):** Holding a security in the expectation that its value will rise.

**Maturity:** The length of time until the initial amount invested in a fixed income security is due to be repaid to the holder of the security.

**Modified duration:** A measure of the sensitivity of a bond, or bond fund, to changes in interest rates, expressed in years. The longer a bond or bond fund's duration, the more sensitive it is to interest rate movements.

**Near cash:** Deposits or investments with similar characteristics to cash.

**Net asset value (NAV):** The current value of the fund's assets minus its liabilities.

**Ongoing charge figure:** The ongoing charge figure represents the operating costs investors can reasonably expect to pay under normal circumstances.

**Open-ended investment company (OEIC):** A type of managed fund whose value is directly linked to the value of the fund's underlying investments. The fund creates or cancels shares depending on whether investors want to redeem or purchase them.

**Options:** Financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.

**Payment date:** The date on which distributions will be paid by the fund to investors, usually the last business day of the month.

**Physical assets:** An item of value that has tangible existence; for example cash, equipment, inventory or real estate. Physical assets can also refer to securities, such as company shares or fixed income securities.

**Property expense ratio:** Property expenses are the operating expenses that relate to the management of the property assets in the portfolio. These include: insurance and rates, rent review and lease renewal costs and maintenance and repairs, but not improvements. They depend on the level of activity taking place within the fund. The Property Expense Ratio is the ratio of property expenses to the fund's net asset value.

**Retail prices index (RPI):** A UK inflation index that measures the rate of change of prices for a basket of goods and services in the UK, including mortgage payments and council tax.

**Share class hedging:** Activities undertaken in respect of hedged shares to mitigate the impact on performance of exchange rate movements between the fund's currency exposure and the investor's chosen currency.

**Share class:** Type of fund shares held by investors in a fund (share classes differ by levels of charge and/or by other features such as hedging against currency risk). Each M&G fund has different share classes, such as A, R and I. Each has a different level of charges and minimum investment. Details on charges and minimum investments can be found in the fund's Prospectus.

**Share:** An ownership stake in a company, usually in the form of a security. Also called equity. Shares offer investors participation in the company's potential profits, but also the risk of losing all their investment if the company goes bankrupt.

**Short position (exposure):** A way for an investor to express their view that the market might fall in value.

**SICAV:** In French, it stands for société d'investissement à capital variable. It is the western European version of an open-ended collective investment fund, much like

an OEIC. Common in Luxembourg, Switzerland, Italy and France, and regulated by regulators in the European Union.

**Swap:** A swap is a derivative contract where two parties agree to exchange separate streams of cashflows. A common type of swap is an interest rate swap, where one party swaps cashflows based on variable interest rates for those based on a fixed interest rate, to hedge against interest rate risk.

**UCITS:** Stands for Undertakings for Collective Investments in Transferable Securities. This is the European regulatory framework for an investment vehicle that can be marketed across the European Union and is designed to enhance the single market in financial assets while maintaining high levels of investor protection.

**Underlying yield:** The amount that is expected to be earned by the fund over the next 12 months expressed as a percentage of the share price as at a certain date. It is based on the expected gross income from the current portfolio calculated in accordance with the fund's accounting policies less all ongoing charges.

**Unit trust:** A type of managed fund whose value is directly linked to the value of the fund's underlying investments and which is structured as a trust, rather than as a company.

**United Nations Global Compact:** A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation.

**Valuation:** The worth of an asset or company, based on the present value of the cashflows it will generate.

**Yield:** This refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of a company and are paid out to the company's shareholders at set times of the year.