

# M&G Feeder of Property Portfolio

**Annual report and audited financial statements  
for the year ended 30 September 2023**

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# Manager's Report

The Manager of M&G Feeder of Property Portfolio presents its annual report and audited financial statements for the year ended 30 September 2023.

The audited financial statements of M&G Feeder of Property Portfolio, the Manager's Report including the portfolio statement, financial highlights and the audited financial statements and notes of the fund are presented in their individual sections of this report as set out in the contents page.

Please note that an explanation of key investment terminology is available on our website at [mandg.com/private-investor/glossary](http://mandg.com/private-investor/glossary)

A printed copy of the glossary is available upon request by calling customer services and administration as shown within the 'Investor information' section of this report.

## Trust information

M&G Feeder of Property Portfolio is an authorised unit trust, regulated as a non-UCITS Retail Scheme (NURS) under the COLL Sourcebook and is an alternative investment fund (AIF) for the purposes of the Alternative Investment Fund Managers Directive (AIFMD). It is authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000.

The Trust was authorised on 16 October 2012 and was launched on 18 January 2013.

A unitholder is not liable for the debts of the Trust and will never be liable to make any further payment to the Trust after paying the purchase price of the units.

## Fund manager

Michael Wood is employed by M&G FA Limited, which is an associate of M&G Securities Limited

## Manager

M&G Securities Limited  
10 Fenchurch Avenue, London EC3M 5AG  
(Authorised and regulated by the Financial Conduct Authority)

The Trust Deed can be inspected at our offices or at the office of the Trustee.

## Directors of the Manager

N J Brooks, C Dobson (non executive director),  
S A Fitzgerald, P R Jelfs,  
M McGrade (non executive director), L J Mumford

## Investment manager

M&G Investment Management Limited,  
10 Fenchurch Avenue, London EC3M 5AG, UK  
(Authorised and regulated by the Financial Conduct Authority. M&G Securities Limited is a member of the Investment Association and of The Investing and Saving Alliance)

## Registrar

SS&C Financial Services Europe Ltd,  
SS&C House, St. Nicholas Lane, Basildon, Essex  
SS15 5FS, UK  
(Authorised and regulated by the Financial Conduct Authority)

## Trustee

NatWest Trustee & Depositary Services Limited,  
House A, Floor 0, 175 Glasgow Road, Gogarburn,  
Edinburgh EH12 1HQ, UK  
(Authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

## Independent auditor

Ernst & Young LLP  
Atria One, 144 Morrison Street, Edinburgh EH3 8EX, UK

## Annual value assessment

An annual assessment report is available which shows the value provided to investors in each of M&G's UK-based funds. The assessment report evaluates whether M&G's charges are justified in the context of the overall service delivered to its investors. The latest report to 31 March 2023 can be found on our website at [mandg.co.uk/valueassessment](http://mandg.co.uk/valueassessment)

# Manager's Report

## Climate-related Financial Disclosures (TCFD)

We have produced TCFD reports in compliance with the FCA's rules on climate-related financial disclosures. The TCFD fund reports are designed to help you understand the impact this trust has on the climate and equally how climate change could influence the performance of the trust. The reports will also give you the ability to compare a range of climate metrics with other funds. To understand the governance, strategy and risk management that M&G has in place to manage the risks and opportunities related to climate change, please refer to the M&G Investments Management TCFD report.

These reports are available via the Sustainability Disclosures page on our website at [mandg.com/footer/sustainability-disclosures](https://mandg.com/footer/sustainability-disclosures)

## Important information

The events in Ukraine continue to bring uncertainty. The Manager continues to monitor the associated risks that are posed to the Trust.

Effective as of 19 October 2022, Michael Wood replaced Justin Upton as fund manager of the M&G Property Portfolio and M&G Feeder of Property Portfolio.

As of January 2023 the operating charge figure includes the underlying charges for closed-ended funds, such as investment trusts and REITs (real estate investment trusts). There is no change to what you are currently being charged, this is a presentational change to align with the latest industry guidance issued by the Investment Association.

The ACD and the Manager have decided to close the M&G Property Portfolio and its feeder M&G Feeder of Property Portfolio. On 10 November 2023, the FCA agreed with the Manager's request to revoke the authorisation of the M&G Feeder of Property Portfolio thereby allowing for wind up procedures to commence. FCA approval regarding the ACD's request to close the M&G Property Portfolio was obtained on 17 November 2023. Since the ACD and the Manager announced their

intention, dealings in both funds have been suspended since Thursday 19 October 2023.

In recognition of this inability for customers to access their investment, M&G is waiving 30% of its annual charge until the funds close. In addition, effective from the date of the suspension, no charges will be applied to any cash that is held within the funds' portfolios. This supersedes the previous waiver, where M&G continued to waive its annual charge on cash held above 20% of the M&G Property Portfolio's net asset value.

Please refer to the 'Investment review' section for further details on significant events during the period. Investment reviews may become quickly outdated in relation to ongoing economic and geopolitical events.

## Investor information

The Prospectus, Trust Deed, Key Investor Information Documents, costs and charges illustration, the latest annual or interim investment report and financial statements as well as a list of purchases and sales are available free of charge on request from the following address. The Instrument of Incorporation can also be inspected at our offices or at the office of the Trustee.

## Customer services and administration for UK clients:

M&G Securities Limited,  
PO Box 9039, Chelmsford CM99 2XG, UK

Please remember to quote your name and M&G client reference and sign any written communication to M&G. Failure to provide this will affect your ability to transact with us.

Telephone: 0800 390 390 (UK only)

For security purposes and to improve the quality of our service, we may record and monitor telephone calls. You will require your M&G client reference. Failure to provide this will affect your ability to transact with us.

# Manager's Report

## Manager's Responsibilities

The Manager is required to prepare annual and interim reports for the Trust. The Manager must ensure that the financial statements, contained in this report, for the trust are prepared in accordance with the Investment Association Statement of Recommended Practice for Financial Statements of UK Authorised Funds (SORP) and UK Financial Reporting Standards, and give a true and fair view of the net revenue or expenses and net capital gains or losses for the accounting period, and the financial position at the end of that period.

The Manager is required to keep proper accounting records, and to manage the Trust in accordance with the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA, the Instrument of Incorporation and the Prospectus, and to take reasonable steps for the prevention and detection of fraud or other irregularities. Additionally, the Manager is responsible for preparing the financial statements on a going concern basis unless it is appropriate to presume that the Trust will not continue in operation.

For the reasons stated in the Manager's Report and Note 2a, the financial statements of the M&G Feeder of Property Portfolio have not been prepared on a going concern basis.

## Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes sourcebook, as issued and amended by the Financial Conduct Authority.

M&G Securities Limited  
13 December 2023

# Trustee's Responsibilities and Report

## Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of M&G Feeder of Property Portfolio ('the Scheme') for the year ended 30 September 2023

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Scheme's Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Trustee must ensure that:

- the Scheme's cashflows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('the AIFM') are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AIFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents, and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Edinburgh  
13 December 2023

NatWest Trustee and  
Depositary Services Limited

# Independent Auditor's Report

## Independent Auditor's Report to the unitholders of M&G Feeder of Property Portfolio

### Opinion

We have audited the financial statements of M&G Feeder of Property Portfolio ("the Fund") for the year ended 30 September 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 September 2023 and of the net revenue and the net capital losses on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to note 2a to the financial statements which explains that the Manager intends to terminate the Fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements, have been prepared on a basis other than going concern as described in note 2a. Our opinion is not modified in respect of this matter.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# Independent Auditor's Report

## Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the rules of the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

## Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 4, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Fund or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.



# Independent Auditor's Report

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Accepted Accounting Practice (UK GAAP), the Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrator and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Fund's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Edinburgh  
13 December 2023

Ernst & Young LLP  
Statutory Auditor

# Manager's Report

For the purposes of these financial statements, the Prospectus dated 24 May 2023 has been used.

## Investment objective

The trust 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 solely through investment in M&G Property Portfolio.

## Investment policy

The trust will invest solely in the M&G Property Portfolio.

## Investment approach

The M&G Feeder of Property Portfolio is directly invested in the M&G Property Portfolio. The underlying fund is actively managed, while controlling for risk factors, through diversified real estate exposure primarily in direct property sectors (such as retail, offices and industrial). The underlying fund's investment and disposals align the underlying fund positioning toward those sectors forecast to outperform with regard for structural trends and property specific risk such as lease expiries and voids, tenant covenant strength and physical and environmental factors. The investment process is structured to deliver the underlying fund's objective however, as a responsible property manager, M&G's Responsible Property Investment capabilities are drawn on to initiate projects that address ESG themes and risk factors relevant to the underlying fund, such as building suitability in light of regulation and addressing energy efficiency, water use and waste. Performance will take precedence over any ESG goals referenced within the Responsible Property Investment policy.

M&G's Responsible Property Investment policy is available on our website: [mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/rpi-policy-mg-uk-property-portfolio.pdf](https://mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/rpi-policy-mg-uk-property-portfolio.pdf)

## Benchmark

Benchmark: IA UK Direct Property sector

The benchmark is a target which the M&G Property Portfolio, in which the trust solely invests, seeks to outperform. The sector has been chosen as the trust's benchmark as both the M&G Property Portfolio and the trust are constituents of the sector. The benchmark is used solely to measure the trust's performance and does not constrain the M&G Property Portfolio or the trust's portfolio construction.

The M&G Property Portfolio is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the M&G Property Portfolio.

For unhedged unit classes, the benchmark is shown in the unit class currency.

## Risk profile

For details of the risks associated with this trust, please refer to the Prospectus. For details of the risk management policies, please refer to pages 23 and 25.

# Manager's Report

## Investment review

For the year ended 30 September 2023

### Performance against objective

Between 1 October 2022 (the start of the review period) and 30 September 2023, the M&G Feeder of Property Portfolio delivered a negative total return (the combination of income and growth of capital) across all its sterling unit classes. Trust performance was behind the trust's benchmark, the IA UK Direct Property Sector, which recorded a total return of -9.5% over the same 12-month period under review.

Over five years, the trust produced an annualised negative total return across all its unit classes. The IA UK Direct Property Sector recorded a negative total return of -1.3% pa over the same period. Therefore, the trust did not meet its objective of providing 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 solely through investment in the M&G Property Portfolio.

For the performance of each unit class, please refer to the 'Long-term performance by unit class' table in the 'Financial highlights' section of this report.

### Performance review of the underlying fund

Over the 12-month review period, the UK commercial property market saw a steep fall in capital values, according to property consultant CBRE<sup>a</sup>. Capital values fell most steeply in the fourth quarter of 2022, when a combination of increased debt costs (which affects some investors ability to finance property purchases), higher bond market yields and a weaker economic outlook, depressed prices.

Property market conditions improved somewhat in the Spring of 2023, when capital values actually posted small gains in March and April (they were flat in May). However, from June onwards capital values for All UK commercial property, have again declined, albeit modestly.

Despite the fall in capital values in 2023, when rental income is included, all UK commercial property has actually recorded a positive total return year-to-date.

Over the 12-month period, industrials and offices saw the greatest level of repricing. In the case of industrials, this was largely because the sector was the lowest yielding and thus most sensitive to interest rate rises. The fall in industrial capital values occurred in the first half of the review period, but since March 2023, capital values have been rising.

Capital values in the office sector continue to reprice downwards at the moment due to office occupancy concerns and CAPEX expectations to improve energy efficiency and meet EPC and net zero targets. Meanwhile, retail sector values fell the least over the 12-month period.

Against this background the fund produced a negative total return over the review period and underperformed its benchmark, the IA UK Direct Property Sector. Asset selection was the main driver of underperformance, with properties including: The Gracechurch Centre, Sutton Coldfield (sold 9 November 2023); 3 Temple Quay, an office building in Bristol; Junction Six Industrial Estate, Birmingham (sold 20 July 2023); and Portland & Riding Estate, London, recording significant percentage declines.

Conversely, sector allocation added value as the fund's overweight position to retail and underweight position to industrials relative to the MSCI UK Quarterly Property Index<sup>b</sup> proved beneficial.

Overall, the fund's holdings in UK-listed real estate investment trusts (REITs) made a positive contribution to relative returns, as REITs outperformed direct property assets over the review period. (UK REITs represented 6.5% of the fund's net asset value at the end of September 2023).

The fund's cash balance remained healthy and in-line with target liquidity levels throughout the review period – a defensive position during a time where direct property yields shifted out considerably. This was also beneficial for fund performance.

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<sup>a</sup> From 17 October 2022 until the end of January 2023, assets were valued on a bi-monthly basis, because of the rapid pace of value adjustment, in the market. Valuations returned to a monthly valuation schedule at the end of January 2023 once the fund's Standing Independent Valuer (Knight Frank) and M&G were satisfied that valuations could be appropriately reflected by returning to the usual month-end schedule.

<sup>b</sup> When considering the structure of the fund and understanding the performance of the fund relative to other funds, we compare it to the MSCI UK Quarterly Property Index. The MSCI UK Quarterly Property Index tracks the performance of a large number of directly held UK property investments, providing an understanding of the fund's characteristics versus those of the MSCI UK Quarterly Property Index. This information is not available for the fund's benchmark, the IA UK Direct Property Sector.

### Portfolio structure of the underlying fund

The fund's investment strategy is to focus on, what we consider to be, higher-quality properties and is formally reviewed semi-annually, with clear objectives with respect to capital allocation. Decisions to buy or sell an asset are based on the individual property's lifecycle and the optimal fund structure. Our activities for the year focused on reducing risk and retaining a liquid portfolio, in light of the continued ongoing uncertainty with respect to the FCA consultation paper, CP 20/15 (Liquidity mismatch in authorised open-ended property funds).

Throughout we have aimed to have small sector bets compared to the MSCI UK Quarterly Property Index, and to limit exposure to individual assets that represent disproportionately large weightings in the portfolio, so as to reduce stock-specific risk.

As at end-September 2023, the fund was significantly underweight in industrials (due to the sale of, what was the fund's second largest asset, a multi-let estate in Birmingham), broadly in-line in offices and overweight in retail and 'other'.

Given our concerns about risk/reward trade off in the industrial sector (initial yields were sub-3% in some cases at the start of the review period), we took the decision in the second half of 2022 to reduce our exposure further and have maintained an underweight position in industrials throughout the review period.

Since COVID-19, office requirements have changed significantly. At that time, the fund sold its South East offices, moving to a broadly neutral position. The fund's focus is on offices in strong locations, near transport

nodes, that have the amenities and sustainability characteristics tenants demand. Additionally, the fund holds offices with BREEAM (a science-based suite of validation and certification systems) sustainability ratings that have the capacity to remain relevant as tenant and regulatory requirements for 'green' buildings increase, thus achieving higher rents, improved capital values and relevance to occupiers.

The sub-sector bets in the retail sector reflect our preference for prime, dominant schemes in strong locations. This explains the fund's higher exposure to retail warehouses and lower exposure to the High Street relative to the MSCI UK Quarterly Property Index.

### ESG strategy of the underlying fund

The investment process is structured to deliver the fund's investment objective, however, as a responsible property manager, M&G's ESG Investment capabilities are drawn on to initiate projects that address relevant themes and risk factors, such as a building's suitability in light of regulation, and addressing energy efficiency, water use and waste. Performance will take precedence over any ESG goals referenced within the Responsible Property Investment policy. The fund is not managed to achieve the status of, or claims to seek to be, a sustainable or 'ESG fund'. The M&G Property Portfolio: Responsible Property Investment Policy is available on the M&G website.

We reference the independent, industry-recognised Global Real Estate Sustainability Benchmark (GRESB) as an indicator of the fund's performance relating to ESG matters. GRESB have been analysing the underlying fund since 2013 and its track record has been strong.

The latest 2023 results ranked the fund in the top quartile (19 out of 100) of the UK/Diversified/Core peer group. Key initiatives are underway to improve the fund's resilience in terms of the climate agenda with the goal of developing a net zero carbon pathway based on actual fund data.

The fund sets ESG goals, the details of which can be found on M&G's website. They fall into three main categories, examples of which are:

# Manager's Report

- Environmental Excellence – Aim for operational carbon to be Paris-aligned by 2030, all carbon to be net zero by 2050, whilst ensuring portfolio resilience in the face of climate peril risk.
- Social Benefit – Where feasible, collaborate with occupiers to improve health & wellbeing at schemes, while working together to improve occupancy satisfaction.
- Good Governance – Aim for all new leases to include green clauses to help drive our commitment to address ESG factors within our collective control. Key within this, is data collection for informed and productive interventions.

## Investment activities of the underlying fund

We aim to maintain a favourable fund structure and liquidity position. At the end of the reporting period the fund had a healthy total liquidity of 27.6%, comprising 21.0% cash and 6.6% REITs, which compares to the long-run target total liquidity profile of 20%.

(The primary purpose of the REIT portfolio is to provide tactical exposure to sectors via sector-specific securities. Additionally, it can also offer liquidity if required. We aim to maintain this position at around 5% of the fund.)

Portfolio turnover was low during the reporting period, with four assets sold and one property bought. The Peel Centre, Blackburn was sold for £12.5 million to a private investor. The proceeds of the Peel Centre, a lower-quality leisure scheme on the outskirts of Blackburn, improved the fund's liquidity position in the first quarter of 2023.

In May 2023, we sold a retail asset in Southampton (the value of the property represented less than one percent of net asset value) and in July we completed on the sale of a Midlands-based, multi-let industrial asset, Junction 6, Industrial Estate, Birmingham, at a consideration that was above book value. This sizeable asset was sold on "concentration-of-risk" grounds. Some of the proceeds were invested in an industrial unit in Bedford.

Towards the end of the review period, we sold a hotel asset (occupied by Travelodge), which is located in Surrey. The property represented less than 1% of net assets.

## Asset management of the underlying fund

Since income accounts for around 70% of the total return from investment in property over the long term, we actively manage the assets to safeguard and increase the portfolio's income streams.

Where appropriate, we will devise individual asset strategies designed to extract further value from a property, and hence optimise the achievable returns. Examples of such strategies include renegotiating leases; tenant engineering on multi-let properties; development; refurbishment; and changing the use of a property.

Over the review period we were successful in the industrial and office sectors at securing rents on new leases at above the asset's estimated rental value (ERV). The challenge was in retail, at one asset in particular – The Gracechurch Centre, Sutton Coldfield – where new achieved rents were below ERV. Here activity was focused on temporary leases to cover non-recoverables to enable the scheme to be redeveloped in the near future. Nevertheless, deals done across the portfolio were largely at ERV in aggregate.

## Outlook of the underlying fund

Although the UK has managed to sidestep a recession thus far, significant uncertainty remains. This is limiting real estate transaction activity, as investor sentiment remains low and buyers exercise caution.

At the tail-end of the first quarter of 2023, it looked as if the UK commercial property market had reached the bottom of the cycle. Some sectors, in particular industrials and retail warehouses, were in the early stages of recovery, as yields started to stabilise and we saw the emergence of rental growth.

However, the recent turbulence in the macroeconomic environment and higher risk-free rates mean that

# Manager's Report

downside risks have increased and there may be further valuation declines, before a renewed recovery phase.

With inflation, interest rates and financing costs, still elevated, investor sentiment remains weak. As a result, we believe transaction volumes will remain muted, as investors exercise caution and selectively approach investments with a greater focus on location, quality and ESG credentials.

In our view, the higher interest rate regime is likely to lead to an increased risk of further upward movement in yields in the short term, with polarisation by asset quality taking centre stage. We expect weaker, poorly located assets that are non-ESG compliant to see sharper, longer valuation declines relative to prime assets in core locations.

## Suspension and closure

The ACD and the Manager have decided to close the M&G Property Portfolio and its feeder M&G Feeder of Property Portfolio. On 10 November 2023, the FCA agreed with the Manager's request to revoke the authorisation of the M&G Feeder of Property Portfolio thereby allowing for wind up procedures to commence. FCA approval regarding the ACD's request to close the M&G Property Portfolio was obtained on 17 November 2023. Since the ACD and the Manager announced their intention, dealings in both funds have been suspended since Thursday 19 October 2023.

In recognition of this inability for customers to access their investment, M&G is waiving 30% of its annual charge until the funds close. In addition, effective from the date of the suspension, no charges will be applied to any cash that is held within the funds' portfolios. This supersedes the previous waiver, where M&G continued to waive its annual charge on cash held above 20% of the M&G Property Portfolio's net asset value.

## Michael Wood

Fund manager

An employee of M&G FA Limited which is an associate of M&G Securities Limited.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the trust or any holding mentioned in the Report is likely to perform. If you wish to obtain financial advice as to whether an investment is suitable for your needs, you should consult a Financial Adviser.

# Portfolio statement

## Investments

Holding	as at 30.09.23 £'000	as at 30.09.23 %	as at 30.09.22 %
Collective investment schemes	454,992	98.97	98.92
561,554,938 M&G Property Portfolio Sterling Class 'F' Income <sup>a</sup>	454,992	98.97	
Portfolio of investments	454,992	98.97	98.92
<b>Net other assets/(liabilities)</b>	<b>4,756</b>	<b>1.03</b>	<b>1.08</b>
Net assets attributable to unitholders	459,748	100.00	100.00

<sup>a</sup> Related party.

# Portfolio statement

Top portfolio transactions for the year to 30 September 2023

Purchases	£'000
M&G Property Portfolio Sterling Class 'F' Income <sup>a</sup>	27,564
<b>Total purchases</b>	<b>27,564</b>

Sales	£'000
M&G Property Portfolio Sterling Class 'F' Income <sup>a</sup>	122,435
<b>Total sales</b>	<b>122,435</b>

<sup>a</sup> Related party



# Financial highlights

## Trust performance

Please note past performance is not a guide to future performance and the value of investments, and the income from them, will fluctuate. This will cause the trust price to fall as well as rise and you may not get back the original amount you invested.

As different unit classes have different attributes, for example charging structures and minimum investments, please be aware that their performance may be different.

For additional information, including monthly trust commentaries, trust facts, performance information (including a range of performance graphs) and other documents, please visit our website at [mandg.com/investments](http://mandg.com/investments)

## Long-term performance by unit class

To give an indication of the performance of the trust, the following table shows the compound rate of return, per annum, over the period. Calculated on a bid to bid basis with income reinvested. Please refer to the 'Specific unit class performance' tables for the launch dates.

Unit class	One year % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	-13.1	-2.8	-4.7	+0.1
Class 'A' Accumulation	-13.3	-2.8	-4.7	+0.1
Class 'D' Income	-12.7	-2.3	-4.2	+0.7
Class 'D' Accumulation	-12.7	-2.3	-4.2	+0.7
Class 'I' Income	-12.8	-2.4	-4.3	+0.6
Class 'I' Accumulation	-12.9	-2.5	-4.4	+0.5
Class 'R' Income	-13.0	-2.6	-4.5	+0.4
Class 'R' Accumulation	-13.1	-2.6	-4.5	+0.4
<b>Benchmark</b>	<b>-9.5</b>	<b>-0.6</b>	<b>-1.3</b>	<b>+2.4</b>

<sup>a</sup> Not annualised.

## Specific unit class performance

The following comparative tables show the performance of each unit class. All 'Performance and charges' percentages represent an annual rate except for the 'Return after operating charges' which is calculated as a percentage of the opening net asset value per unit (NAV per unit). 'Dilution adjustments' are only in respect of direct portfolio transaction costs.

'Operating charges', 'Property expenses' and 'Direct portfolio transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current year figures.

The closing NAV per unit shown may diverge from the highest and lowest unit prices (used for dealing purposes) as at the balance sheet date due to accounting and valuation adjustments.

# Financial highlights

## Sterling Class 'A' Income unit performance

The unit class was launched on 18 January 2013.

for the year to 30 September	2023	2022	2021
Change in NAV per unit	UK p	UK p	UK p
Opening NAV	62.90	62.53	63.73
Return before charges	(6.55)	4.51	1.89
Property expenses	(0.94)	(0.62)	(0.63)
Operating charges	(0.78)	(0.86)	(0.65)
Return after charges	(8.27)	3.03	0.61
Distributions	(2.36)	(2.66)	(1.81)
Closing NAV	52.27	62.90	62.53
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Property expenses	1.71	0.95	1.00
Other operating charges	1.41	1.32	1.03
Return after charges	-13.15	+4.85	+0.96
Other information			
Closing NAV (£'000)	37,990	53,059	61,670
Number of units	72,674,219	84,350,132	98,624,572
Highest unit price (UK p)	66.86	67.31	63.60
Lowest unit price (UK p)	52.82	63.13	62.82

## Sterling Class 'A' Accumulation unit performance

The unit class was launched on 18 January 2013.

for the year to 30 September	2023	2022	2021
Change in NAV per unit	UK p	UK p	UK p
Opening NAV	95.44	91.13	90.18
Return before charges	(9.95)	6.47	2.77
Property expenses	(1.47)	(0.90)	(0.90)
Operating charges	(1.21)	(1.26)	(0.92)
Return after charges	(12.63)	4.31	0.95
Distributions	(2.58)	(2.78)	(1.68)
Retained distributions	2.58	2.78	1.68
Closing NAV	82.81	95.44	91.13
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Property expenses	1.71	0.95	1.00
Other operating charges	1.41	1.32	1.03
Return after charges	-13.23	+4.73	+1.05
Other information			
Closing NAV (£'000)	3,951	14,390	117,696
Number of units	4,771,086	15,077,166	129,149,399
Highest unit price (UK p)	101.48	100.81	92.00
Lowest unit price (UK p)	82.64	92.01	90.84

# Financial highlights

## Sterling Class 'D' Income unit performance

The unit class was launched on 18 January 2013.

for the year to 30 September	2023	2022	2021
Change in NAV per unit	UK p	UK p	UK p
Opening NAV	1,895.83	1,871.99	1,896.32
Return before charges	(199.75)	132.57	55.25
Property expenses	(28.46)	(18.45)	(18.69)
Operating charges	(12.48)	(13.01)	(8.97)
Return after charges	(240.69)	101.11	27.59
Distributions	(69.30)	(77.27)	(51.92)
Closing NAV	1,585.84	1,895.83	1,871.99
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Property expenses	1.71	0.95	1.00
Other operating charges	0.75	0.67	0.48
Return after charges	-12.70	+5.40	+1.45
Other information			
Closing NAV (£'000)	975	1,382	2,043
Number of units	61,473	72,885	109,142
Highest unit price (UK p)	2,015.15	2,024.72	1,903.33
Lowest unit price (UK p)	1,601.95	1,889.90	1,878.50

## Sterling Class 'D' Accumulation unit performance

The unit class was launched on 18 January 2013.

for the year to 30 September	2023	2022	2021
Change in NAV per unit	UK p	UK p	UK p
Opening NAV	2,642.28	2,508.96	2,472.23
Return before charges	(278.63)	176.24	73.70
Property expenses	(40.18)	(25.17)	(24.81)
Operating charges	(17.62)	(17.75)	(12.16)
Return after charges	(336.43)	133.32	36.73
Distributions	(83.87)	(90.12)	(57.09)
Retained distributions	83.87	90.12	57.09
Closing NAV	2,305.85	2,642.28	2,508.96
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Property expenses	1.71	0.95	1.00
Other operating charges	0.75	0.67	0.49
Return after charges	-12.73	+5.31	+1.49
Other information			
Closing NAV (£'000)	11,123	12,805	12,327
Number of units	482,393	484,628	491,304
Highest unit price (UK p)	2,808.32	2,787.11	2,533.19
Lowest unit price (UK p)	2,292.03	2,533.58	2,497.88

# Financial highlights

## Sterling Class 'I' Income unit performance

The unit class was launched on 18 January 2013.

for the year to 30 September	2023	2022	2021
Change in NAV per unit	UK p	UK p	UK p
Opening NAV	67.68	67.01	68.02
Return before charges	(7.09)	4.79	2.00
Property expenses	(1.02)	(0.66)	(0.67)
Operating charges	(0.60)	(0.64)	(0.46)
Return after charges	(8.71)	3.49	0.87
Distributions	(2.50)	(2.82)	(1.88)
Closing NAV	56.47	67.68	67.01
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Property expenses	1.71	0.95	1.00
Other operating charges	1.01	0.92	0.68
Return after charges	-12.87	+5.21	+1.28
Other information			
Closing NAV (£'000)	49,345	84,426	288,733
Number of units	87,383,467	124,744,538	430,853,996
Highest unit price (UK p)	71.94	72.33	68.15
Lowest unit price (UK p)	57.05	67.65	67.26

## Sterling Class 'I' Accumulation unit performance

The unit class was launched on 18 January 2013.

for the year to 30 September	2023	2022	2021
Change in NAV per unit	UK p	UK p	UK p
Opening NAV	1,308.75	1,245.23	1,228.98
Return before charges	(137.24)	88.15	36.86
Property expenses	(19.92)	(12.51)	(12.27)
Operating charges	(11.76)	(12.12)	(8.34)
Return after charges	(168.92)	63.52	16.25
Distributions	(39.16)	(41.92)	(26.32)
Retained distributions	39.16	41.92	26.32
Closing NAV	1,139.83	1,308.75	1,245.23
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs	0.00	0.00	0.00
Property expenses	1.71	0.95	1.00
Other operating charges	1.01	0.92	0.68
Return after charges	-12.91	+5.10	+1.32
Other information			
Closing NAV (£'000)	356,222	489,194	274,077
Number of units	31,252,256	37,378,906	22,010,190
Highest unit price (UK p)	1,390.97	1,381.00	1,257.21
Lowest unit price (UK p)	1,134.75	1,257.39	1,240.31

# Financial highlights

## Sterling Class 'R' Income unit performance

The unit class was launched on 18 January 2013.

for the year to 30 September	2023	2022	2021
Change in NAV per unit	UK p	UK p	UK p
Opening NAV	63.99	63.51	64.60
Return before charges	(6.69)	4.57	1.93
Property expenses	(0.96)	(0.63)	(0.64)
Operating charges	(0.70)	(0.77)	(0.57)
Return after charges	(8.35)	3.17	0.72
Distributions	(2.39)	(2.69)	(1.81)
Closing NAV	53.25	63.99	63.51
<b>Direct transaction costs</b>	<b>UK p</b>	<b>UK p</b>	<b>UK p</b>
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
<b>Performance and charges</b>	<b>%</b>	<b>%</b>	<b>%</b>
Direct portfolio transaction costs	0.00	0.00	0.00
Property expenses	1.71	0.95	1.00
Other operating charges	1.26	1.17	0.89
Return after charges	-13.05	+4.99	+1.11
<b>Other information</b>			
Closing NAV (£'000)	37	45	44
Number of units	70,005	70,005	70,005
Highest unit price (UK p)	68.01	68.44	64.59
Lowest unit price (UK p)	53.81	64.12	63.51

## Sterling Class 'R' Accumulation unit performance

The unit class was launched on 18 January 2013.

for the year to 30 September	2023	2022	2021
Change in NAV per unit	UK p	UK p	UK p
Opening NAV	128.45	122.43	121.01
Return before charges	(13.41)	8.75	3.68
Property expenses	(1.95)	(1.22)	(1.20)
Operating charges	(1.44)	(1.51)	(1.06)
Return after charges	(16.80)	6.02	1.42
Distributions	(3.61)	(3.90)	(2.40)
Retained distributions	3.61	3.90	2.40
Closing NAV	111.65	128.45	122.43
<b>Direct transaction costs</b>	<b>UK p</b>	<b>UK p</b>	<b>UK p</b>
Costs before dilution adjustments	0.00	0.00	0.00
Dilution adjustments	0.00	0.00	0.00
Total direct transaction costs	0.00	0.00	0.00
<b>Performance and charges</b>	<b>%</b>	<b>%</b>	<b>%</b>
Direct portfolio transaction costs	0.00	0.00	0.00
Property expenses	1.71	0.95	1.00
Other operating charges	1.26	1.17	0.88
Return after charges	-13.08	+4.92	+1.17
<b>Other information</b>			
Closing NAV (£'000)	105	123	135
Number of units	94,370	95,596	110,239
Highest unit price (UK p)	136.51	135.59	123.61
Lowest unit price (UK p)	111.32	123.62	122.00

# Financial statements and notes

## Financial statements

### Statement of total return

for the year to 30 September	Note	2023		2022	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	5		(98,911)		15,198
Revenue	7	25,473		35,082	
Expenses	8	(4,628)		(6,484)	
Interest payable and similar charges		0		(2)	
Net revenue/(expense) before taxation		20,845		28,596	
Taxation	9	(3,501)		(5,057)	
Net revenue/(expense) after taxation			17,344		23,539
<b>Total return before distributions</b>			<b>(81,567)</b>		<b>38,737</b>
Distributions	10		(18,443)		(25,259)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(100,010)</b>		<b>13,478</b>

### Statement of change in net assets attributable to unitholders

for the year to 30 September	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>655,424</b>		<b>757,022</b>
Amounts received on issue of units	20,253		357,913	
Amounts paid on cancellation of units	(131,202)		(494,319)	
		(110,949)		(136,406)
Dilution adjustments		1,707		3,241
Change in net assets attributable to unitholders from investment activities (see above)		(100,010)		13,478
Retained distributions on Accumulation units		13,576		18,089
<b>Closing net assets attributable to unitholders</b>		<b>459,748</b>		<b>655,424</b>

# Financial statements and notes

## Financial statements

### Balance sheet

as at 30 September	Note	2023 £'000	2022 £'000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		0	648,371
<b>Current assets</b>			
Investments		454,992	0
Debtors	11	12,489	17,907
Cash and bank balances	12	49	48
<b>Total assets</b>		<b>467,530</b>	<b>666,326</b>
<b>Liabilities</b>			
<b>Creditors</b>			
Distribution payable		(919)	(1,521)
Other creditors	13	(6,153)	(7,781)
Deferred tax provision	9	(710)	(1,600)
<b>Total liabilities</b>		<b>(7,782)</b>	<b>(10,902)</b>
<b>Net assets attributable to unitholders</b>		<b>459,748</b>	<b>655,424</b>

# Financial statements and notes

## Notes to the financial statements

### 1 Statement of compliance

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss and in compliance with UK Financial Reporting Standard 102 (FRS 102). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017, except in relation to the separate disclosure in note 16.

### 2 Summary of significant accounting policies

#### a. Basis of preparation

The financial statements of the M&G Feeder of Property Portfolio are prepared on a basis other than going concern. Under this basis assets are recorded at recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the trust will be borne by the Manager.

#### b. Functional and presentational currency

The functional and presentational currency of M&G Feeder of Property Portfolio is UK sterling.

#### c. Basis of valuation of investments

The investment is valued at its fair value as at 12 noon on 30 September 2023, being the last business day of the financial year, as this is not materially different from a valuation carried out at close of business on the balance sheet date. The fair value of M&G Property Portfolio is the cancellation price.

#### d. Investment gains and losses

Gains and losses on the realisation of investments and increases and decreases in the valuation of investments held at the balance sheet date are treated as capital.

#### e. Distribution and interest income

Income from the investment is recognised on an accruals basis, by reference to the amount of distributable income in the underlying investment and is treated as revenue. Income received in respect of purchases of the investment during the financial year will include an element of equalisation which represents the average amount of distributable income included in the price paid for the units. The equalisation is treated as a return of capital for taxation purposes.

#### f. Expenses

For accounting purposes, all expenses are charged against revenue for the period on an accruals basis.

#### g. Allocation of returns to unit classes

The annual charge is directly attributable to individual unit classes. All other returns are apportioned to the fund's unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the income or expenses are recognised.

All available net revenue accounted for in accordance with the above policies and adjusted where relevant by any specific distribution policies set out note 4, is distributed to holders of Income units or retained and reinvested for holders of Accumulation units.

Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

Distributions which have remained unclaimed by unitholders for more than six years are credited to the capital property of capital property of the trust.



# Financial statements and notes

## h. Operating charges

Operating charges include payments made to M&G and to providers independent of M&G:

- **Annual charge:** Charge paid to M&G covering the annual cost of M&G managing and administering the trust and the costs of third parties providing services to the trust.  
For every £1 billion of a trust's net asset value, a discount of 0.02% will be applied to that trust's annual charge (up to a maximum of 0.12%).
- **Extraordinary legal and tax expenses:** Costs that specifically relate to legal or tax claims that are both exceptional and unforeseeable. Such expenses are uncommon, and would not be expected in most years. Although they result in a short-term cost to the trust, generally they can deliver longer term benefits for investors.
- **Ongoing charges from underlying funds:** Ongoing charges from underlying funds (excluding Investment Trust Companies and Real Estate Investment Trusts) will be rebated.

These charges do not include portfolio transaction costs or any entry and exit charges (also known as initial and redemption charges). The charging structures of unit classes may differ, and therefore the operating charges may differ.

Operating charges are in line with the ongoing charges shown in the Key Investor Information Document, other than where there have been extraordinary legal or tax expenses, or an estimate has been used for the ongoing charge because a material change has made the operating charges unreliable as an estimate of future charges.

## i. Property expenses

Property expenses are costs associated with the management and operation of the property portfolio itself, including day-to-day property management, rent collection and payments to third parties providing property operating services.

## j. Portfolio transaction costs

Portfolio transaction costs are incurred by trusts when buying and selling investments.

The trust does not incur direct portfolio transaction costs. The trust will incur indirect costs through its underlying investment in the M&G Property Portfolio.

## k. Tax

Deferred tax is provided for in respect of timing differences that have originated but not reversed by the balance sheet date, with the exception of those regarded as permanent differences. Any liability to deferred tax is provided at the average rate of tax expected to apply. A deferred tax asset is recognised to the extent that it is expected to be utilised, based on the likelihood of taxable profits arising in the next twelve month period from which the future reversal of timing differences can be deducted. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

## 3 Risk management policies

The trust has been established as a feeder fund which will invest solely in Sterling Class 'F' Income shares of the M&G Property Portfolio (the 'underlying fund') (an Open-Ended Investment Company) established under English law.

The underlying fund's investment objective is to carry on property investment business and to manage cash raised from investors for investment in the property investment business. In so doing, the fund aims to maximise long-term total return (the combination of income and growth of capital) through investment mainly in commercial property.

The trust has the same risks and risk management policies as the underlying fund, which are as follows:

# Financial statements and notes

The Manager is responsible for establishing, implementing and maintaining an adequate and documented risk management policy for identifying, measuring and managing all risks to which funds are or might be exposed.

The fund's investment activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests; market risk, credit risk and liquidity risk. These financial statements are designed to enable users to evaluate the nature and extent of those risks and how they are managed.

## **a. Market risk**

Market risk is the risk of loss resulting from fluctuations in the market value of the fund's investments including, but not limited to, adverse real estate valuation movements which may be attributable to changes to global or local economic conditions; local market conditions such as the price volatility of the UK commercial property markets or performance of individual properties; the financial conditions of tenants; changes in interest rates or exchange rates; real estate tax rates and other operational expenses; environmental laws and regulations; planning laws and other governmental legislation; energy prices and the relative attractiveness of real estate types or locations. In addition, real estate is subject to long-term cyclical trends that give rise to significant volatility in values.

The fund's exposure to market risk is comprised mainly of movements in the value of the fund's investments in properties. Property investments are inherently difficult to value and difficult to transform into cash due to the individual nature of each property. As a result, valuations are subject to uncertainty. The value of investments is determined by the Independent Valuer and is therefore subjective. The Independent Valuer has acquired significant experience in the real estate sectors targeted by the fund. No assurance can be given that any given real estate asset could be sold at a price equal to the fair value ascribed to it. There is no assurance that the actual sale price will reflect the estimates resulting from the valuation process even where such sales occur shortly after the valuation date.

Where it is necessary for the fund to sell properties in order to meet redemptions, the amounts realised from the sales may be materially less than the current valuation.

The fund is subject to interest rate risk in respect of cash deposits, overdrafts and revolving credit facilities held.

## **b. Liquidity risk**

Liquidity risk is the risk that funds cannot be raised or investments sold at limited cost or in an adequate time frame to meet financial commitments such as unit redemptions.

The fund's liquidity can be affected by unexpected or high levels of share redemptions. In difficult 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, and the value of certain property investments may therefore be less predictable than usual. Under these circumstances, it may be harder to sell assets at the last valuation or quoted market price, or at a price considered to be fair. Such conditions could result in unpredictable changes in the value of the fund's holdings. In general, property investments are harder to buy and sell compared to investments in fixed income securities and company shares.

The Independent Risk Team is responsible for second line oversight of liquidity risk. To this end, the Risk Team assesses and monitors liquidity risk. The liquidity reports as provided by the first line can be reviewed ad-hoc by the Risk Team whenever considered relevant, liquidity can be interrogated and fund managers can be challenged on the liquidity in the funds.

The portfolios are reviewed regularly at Investment, Product and Risk committees. The Risk Team is responsible for escalating funds with potential liquidity mismatches to the Risk Committees. These committees are responsible for highlighting, challenging, escalating, or requiring further action, as it deems necessary.

# Financial statements and notes

## c. Credit risk

The fund is exposed to credit risk in the event of default by an occupational tenant. The fund would suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property.

The fund has been closely monitoring the ability of tenants to pay their rent and adjusting bad debt provision accordingly. The fund also works with the tenants to determine any rent concessions on a case-by-case basis.

## d. Risk management

The fund's risks are measured and managed as an integral part of the investment process. It invests in illiquid assets, but trades daily and hence portfolio diversification contributes towards managing liquidity and default risks as well as reducing market price risk. During the year, the fund has not hedged against movements in the value of its investments. However, the Prospectus permits the fund to use derivative instruments for hedging such risks and the Manager may from time to time employ such instruments.

In managing credit risk, income from any one tenant or tenants within the same group must not exceed 25% of the aggregate revenue in relation to the property investments in any accounting period, unless the tenant is the UK Government or guaranteed by the UK Government. Rent is collected from tenants in advance, usually quarterly. Cash is placed on deposit with reputable financial institutions and is subject to limits as disclosed in the Prospectus.

To manage liquidity risk, the fund currently targets around 20% cash levels under normal market conditions. Under certain market conditions where liquidity risk may be deemed to be elevated, the level of cash targeted by the fund may be higher. Actual cash levels may differ from targeted cash levels for a number of reasons, particularly arising from time lags related to arranging to exchange and complete property sales. If liquidity becomes more of a focus, for example if actual cash looks likely to move below targeted cash for an extended period, the fund manager will enter an enhanced monitoring and oversight phase, explicitly focusing on ensuring that all customers in the fund are being treated fairly in terms of ongoing portfolio composition, appropriate asset sales or purchases.

In exceptional circumstances where assets cannot be fairly valued, or may otherwise need to be sold at a large discount to raise cash to settle redemptions, the fund may be temporarily suspended if that is deemed to be in the best interest of all investors.

Additionally, the Manager may borrow for the account of the fund but only for the purpose of meeting redemption requests where there is a timing difference in connection with the purchase and sale of property investments, as we bridge pre-identified sales of positions in REITs.

## 4 Distribution policy

In determining the amount available for distribution to Income units, the annual charge is offset against capital, increasing the amount available for distribution whilst restraining capital performance to an equivalent extent.

The equalisation element of distributions from collective investment schemes will be included as distributable income.

## 5 Net capital gains/(losses)

for the year to 30 September	2023 £'000	2022 £'000
Non-derivative securities <sup>a</sup>	(98,911)	15,198

<sup>a</sup> Includes realised losses of £27,855,000 and unrealised losses of £71,056,000. (2022: realised losses of £22,815,000 and unrealised gains of £38,013,000). Certain realised gains and losses in the current year were unrealised in the prior year.

# Financial statements and notes

## 6 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges', 'Property expenses' and 'Portfolio transaction costs' on page 23. Total direct portfolio transaction costs are stated before dilution adjustments. Please refer to the 'Financial highlights' section for the effect of dilution adjustments.

for the year to 30 September	2023 £'000	2022 £'000
<b>a) Purchases</b>		
Collective investment schemes	27,564	150,659
<b>Total purchases after transaction costs</b>	<b>27,564</b>	<b>150,659</b>
<b>b) Sales</b>		
Collective investment schemes	122,435	270,178
<b>Total sales after transaction costs</b>	<b>122,435</b>	<b>270,178</b>
<b>c) Direct portfolio transaction costs</b>		
For underlying transaction costs refer to the M&G Property Portfolio financial statements.		
<b>d) Indirect portfolio transaction costs</b>		
	%	%
Average portfolio dealing spread as at the balance sheet date	5.31	5.62

## 7 Revenue

for the year to 30 September	2023 £'000	2022 £'000
Bank interest	2	2
Distributions from collective investment schemes: non-taxable	2,767	2,009
Distributions from collective investment schemes: taxable	2,733	1,243
Distributions from collective investment schemes: property income dividends	19,950	31,816
HMRC interest	21	12
<b>Total revenue</b>	<b>25,473</b>	<b>35,082</b>

## 8 Expenses

for the year to 30 September	2023 £'000	2022 £'000
<b>Payable to the Manager or associate</b>		
Annual charge	4,628	6,484
<b>Total expenses</b>	<b>4,628</b>	<b>6,484</b>

Audit fees for the financial year ending 2023 were £6,500 (2022: £6,000) (including VAT), which are covered by the annual charge.

# Financial statements and notes

## 9 Taxation

for the year to 30 September	2023 £'000	2022 £'000
<b>a) Analysis of charge in the year</b>		
Corporation tax	4,391	4,664
Withholding tax	0	0
Deferred tax (note 9c)	(890)	393
<b>Total taxation</b>	<b>3,501</b>	<b>5,057</b>
<b>b) Factors affecting taxation charge for the year</b>		
Net revenue/(expense) before taxation	20,845	28,596
Corporation tax at 20%	4,169	5,719
<b>Effects of:</b>		
Distributions from collective investment schemes: non-taxable	(668)	(662)
<b>Total tax charge (note 8a)</b>	<b>3,501</b>	<b>5,057</b>
<b>c) Provision for deferred taxation</b>		
Provision at the start of the year	1,600	1,207
Deferred tax in profit and loss account (note 9a)	(890)	393
<b>Provision at the end of the year</b>	<b>710</b>	<b>1,600</b>

The trust has not recognised a deferred tax asset in the current financial year (2022: same).

## 10 Distributions

For each distribution period, the distributions payable on Income units (Inc) and distributions retained on Accumulation units (Acc) are disclosed.

for the year to 30 September	2023		2022	
	Inc £'000	Acc £'000	Inc £'000	Acc £'000
<b>Dividend distributions</b>				
First interim	1,156	3,295	1,813	4,284
Second interim	1,265	3,855	1,722	4,711
Third interim	1,110	3,430	1,601	4,637
Final	919	2,996	1,521	4,457
<b>Total net distributions</b>		<b>18,026</b>		<b>24,746</b>
Income deducted on cancellation of units		480		1,674
Income received on issue of units		(63)		(1,161)
<b>Distributions</b>		<b>18,443</b>		<b>25,259</b>
Net revenue/(expense) per statement of total return		17,344		23,539
Expenses offset against capital		1,099		1,720
<b>Distributions</b>		<b>18,443</b>		<b>25,259</b>

# Financial statements and notes

## 11 Debtors

as at 30 September	2023 £'000	2022 £'000
Amounts receivable on issues of units	23	131
Distributions receivable	4,696	6,819
Sales awaiting settlement	1,239	2,275
Tax recoverable	6,531	8,682
<b>Total debtors</b>	<b>12,489</b>	<b>17,907</b>

## 12 Cash and bank balances

as at 30 September	2023 £'000	2022 £'000
Cash held as bank balances	49	48
<b>Total cash and bank balances</b>	<b>49</b>	<b>48</b>

## 13 Other creditors

as at 30 September	2023 £'000	2022 £'000
Amounts payable on cancellation of units	1,238	2,276
Annual charge payable	501	709
Corporation tax payable	4,391	4,664
Expenses payable	0	1
Purchases awaiting settlement	23	131
<b>Total other creditors</b>	<b>6,153</b>	<b>7,781</b>

## 14 Investment property

The below sensitivities illustrate the impact of changes in key unobservable inputs (in isolation) on the fair value of the underlying fund's property investments, analysed by sector in accordance with the portfolio statement.

as at 30 September 2023	Increase in equivalent yield 25bps £'000	Decrease in equivalent yield 25bps £'000
Retail	(3,188)	3,408
Office	(4,903)	5,370
Industrial	(2,932)	3,233
Leisure	(2,981)	3,210
Other	(2,538)	2,789
<b>Total</b>	<b>(16,542)</b>	<b>18,010</b>

# Financial statements and notes

as at 30 September 2022	Increase in equivalent yield 25bps £'000	Decrease in equivalent yield 25bps £'000
Retail	(5,914)	6,415
Office	(7,744)	8,738
Industrial	(8,658)	9,904
Leisure	(4,467)	4,848
Other	(2,977)	3,323
<b>Total</b>	<b>(29,760)</b>	<b>33,228</b>

The sensitivities are provided by the fund's Independent Standing Valuer, Knight Frank.

Future minimum rentals receivable under non-cancellable operating leases within investment property are as follows:

as at 30 September	2023 £'000	2022 £'000
Not later than one year	26,556	36,040
Later than one year and not later than five years	90,887	101,887
Later than five years	228,539	256,900
<b>Total</b>	<b>345,982</b>	<b>394,827</b>

## 15 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2022: same).

## 16 Units in issue

The following table shows each class of unit in issue during the year. Each unit class has the same rights on winding up however they may have different charging structures as set out in note 17 below.

Unit class	Opening 01.10.22	Issued	Movements Cancelled	Converted	Closing 30.09.23
<b>Sterling</b>					
Class 'A' Income	84,350,132	4,727,660	(16,403,573)	0	72,674,219
Class 'A' Accumulation	15,077,166	63,756	(10,369,836)	0	4,771,086
Class 'D' Income	72,885	4,785	(16,197)	0	61,473
Class 'D' Accumulation	484,628	1	(2,236)	0	482,393
Class 'I' Income	124,744,538	8,874,991	(46,236,062)	0	87,383,467
Class 'I' Accumulation	37,378,906	994,388	(7,121,038)	0	31,252,256
Class 'R' Income	70,005	0	0	0	70,005
Class 'R' Accumulation	95,596	0	(1,226)	0	94,370

It is not possible to separately identify all units conversions. As a result, the units movements (issued/cancelled) as disclosed in the table above may also include units conversions.

# Financial statements and notes

## 17 Charging structure

The table below sets out the charging structure for each class of unit. The charging structure is the same for both Income and Accumulation units of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Unit class	Annual charge %
<b>Sterling</b>	
Class 'A'	1.25
Class 'D'	0.60
Class 'I'	0.85
Class 'R'	1.10

## 18 Related parties

M&G Securities Limited, as Manager, is a related party and acts as principal on all the transactions of units in the trust except with in specie transactions, where M&G Securities Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the 'Statement of change in net assets attributable to unitholders' and note 10. Amounts due to / from M&G Securities Limited in respect of unit transactions at the year end are disclosed in notes 11 and 13 where applicable.

Amounts paid to M&G Securities Limited in respect of the annual charge and Manager's annual management charge are disclosed in note 8. Amounts due at the year end from the annual charge are disclosed in note 13.

During the year, there were transactions in shares in related parties of M&G Securities Limited with a total value of £149,999,000 (2022: £420,837,000).

At the balance sheet date, the trust held shares in related parties of M&G Securities Limited with a value of £454,992,000 (2022: £648,371,000).

At the balance sheet date, unitholders from within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, have holdings totalling 15.28% (2022: 12.17%) of the trust's units.

## 19 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

### Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

### Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.



# Financial statements and notes

## Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 30 September	Assets 2023 £'000	Liabilities 2023 £'000	Assets 2022 £'000	Liabilities 2022 £'000
Basis of valuation				
Level 1	0	0	0	0
Level 2	454,992	0	648,371	0
Level 3	0	0	0	0
	<b>454,992</b>	<b>0</b>	<b>648,371</b>	<b>0</b>

## 20 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 23 to 25.

## 21 Dividend distribution tables

This trust pays quarterly ordinary distributions and the following table sets out the distribution periods.

### Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.10.22	31.12.22	03.01.23	28.02.23
Second interim	01.01.23	31.03.23	01.04.23	31.05.23
Third interim	01.04.23	30.06.23	01.07.23	31.08.23
Final	01.07.23	30.09.23	01.10.23	30.11.23

The following tables set out for each distribution the rates per unit for both Group 1 and Group 2 units.

Group 1 units are those purchased prior to a distribution period and therefore their net revenue rate is the same as the distribution rate.

Group 2 units are those purchased during a distribution period and therefore their distribution rate is made up of net revenue and equalisation. Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to Income Tax. Instead, it must be deducted from the cost of units for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the net revenue and equalisation components.

# Financial statements and notes

## Sterling Class 'A' Income units

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.2351	0.3295	0.5646	0.6071
Second interim	0.4778	0.1712	0.6490	0.6668
Third interim	0.1689	0.4314	0.6003	0.6905
Final	0.1843	0.3657	0.5500	0.6990

## Sterling Class 'A' Accumulation units

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.3636	0.2203	0.5839	0.6550
Second interim	0.5919	0.1414	0.7333	0.7104
Third interim	0.3722	0.2948	0.6670	0.7114
Final	0.3312	0.2691	0.6003	0.7067

## Sterling Class 'D' Income units

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	9.1436	7.3045	16.4481	17.5556
Second interim	12.7337	6.3391	19.0728	19.2511
Third interim	7.2689	10.3621	17.6310	20.0806
Final	8.4192	7.7285	16.1477	20.3836

## Sterling Class 'D' Accumulation units

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	19.1738	0.0000	19.1738	19.7536
Second interim	23.3424	0.0000	23.3424	22.5535
Third interim	21.5971	0.0000	21.5971	23.5564
Final	19.7537	0.0000	19.7537	24.2580

# Financial statements and notes

## Sterling Class 'I' Income units

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.2652	0.3298	0.5950	0.6679
Second interim	0.4549	0.2326	0.6875	0.7021
Third interim	0.2623	0.3735	0.6358	0.7186
Final	0.2597	0.3223	0.5820	0.7343

## Sterling Class 'I' Accumulation units

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	4.8053	4.0779	8.8832	8.9560
Second interim	6.7949	4.1822	10.9771	10.5837
Third interim	5.6429	4.4651	10.1080	11.0552
Final	4.8166	4.3717	9.1883	11.3217

## Sterling Class 'R' Income units

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.5696	0.0000	0.5696	0.6113
Second interim	0.6565	0.0000	0.6565	0.6731
Third interim	0.6070	0.0000	0.6070	0.6973
Final	0.5564	0.0000	0.5564	0.7068

## Sterling Class 'R' Accumulation units

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2023 UK p	Equalisation 2023 UK p	2023 UK p	2022 UK p
First interim	0.8103	0.0000	0.8103	0.8401
Second interim	1.0201	0.0000	1.0201	0.9938
Third interim	0.9341	0.0000	0.9341	1.0140
Final	0.8445	0.0000	0.8445	1.0481

# Financial statements and notes

## 22 Events after the balance sheet date

The ACD and the Manager have decided to close the M&G Property Portfolio and its feeder M&G Feeder of Property Portfolio. On 10 November 2023, the FCA agreed with the Manager's request to revoke the authorisation of the M&G Feeder of Property Portfolio thereby allowing for wind up procedures to commence. FCA approval regarding the ACD's request to close the M&G Property Portfolio was obtained on 17 November 2023. Since the ACD and the Manager announced their intention, dealings in both funds have been suspended since Thursday 19 October 2023.

In recognition of this inability for customers to access their investment, M&G is waiving 30% of its annual charge until the funds close. In addition, effective from the date of the suspension, no charges will be applied to any cash that is held within the funds' portfolios. This supersedes the previous waiver, where M&G continued to waive its annual charge on cash held above 20% of the M&G Property Portfolio's net asset value.

# Other regulatory disclosures

## Authorised status

The trust is an authorised unit trust, being a Non-UCITS retail scheme as defined in FCA rules.

## Alternative Investment Fund Managers Directive (AIFMD)

In accordance with the AIFMD we are required to report to investors on the 'leverage' of the trust and any 'special arrangements' that exist in relation to the trust's assets.

## Leverage

Under AIFMD, leverage is defined as any method by which the trust increases its exposure through borrowing or the use of derivatives. This exposure must be calculated in two ways, the 'gross method' and the 'commitment method'. The trust must not exceed maximum exposures under both methods.

'Gross method' is calculated as the sum of all positions of the trust (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes.

'Commitment method' exposure is also calculated as the sum of all positions of the trust (both positive and negative), but after netting off derivative and security positions as specified by AIFMD rules.

Therefore as at 30 September 2023 the total amount of leverage is as follows:

### Gross method:

M&G Feeder of Property Portfolio	100%
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### Commitment method:

M&G Feeder of Property Portfolio	100%
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The M&G Feeder of Property Portfolio did not use leverage to increase its exposure and this position was unchanged throughout the year ending 30 September 2023.

## Special arrangements

A 'Special Arrangement' is an arrangement in relation to fund assets that results in an investor or group of investors receiving different redemption rights to those generally available to investors in a given unit class.

The trust had no assets subject to special arrangements for the period ending 30 September 2023.

## Remuneration

In line with the requirements of the Alternative Investment Fund Managers Directive ("AIFMD"), M&G Securities Limited (the "AIFM") is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the AIFMD.

The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of employees is in line with the risk policies and objectives of the alternative investment funds managed by the AIFM. Further details of the remuneration policy can be found on our website: [mandg.com/who-we-are/mandg-investments/mandg-investments-business-policies](http://mandg.com/who-we-are/mandg-investments/mandg-investments-business-policies)

The remuneration policy and its implementation is reviewed on an annual basis, or more frequently where required, and is approved by the M&G plc Board Remuneration Committee. The most recent review found no fundamental issues with no material changes made to the policy.

The AIFM is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with M&G's interpretation of currently available guidance on quantitative remuneration disclosures. As market or regulatory guidance evolves, M&G may consider it appropriate to make changes to the way in which quantitative disclosures are calculated.

The 'Identified Staff' of M&G Securities Limited are those who could have a material impact on the risk profile of M&G Securities Limited or the AIFs it

# Other regulatory disclosures

manages (including M&G Feeder of Property Portfolio) and generally includes senior management, risk takers and control functions. 'Identified Staff' typically provide both AIFMD and non-AIFMD related services and have a number of areas of responsibility. Therefore, only the portion of remuneration for those individuals' services which may be attributable to the AIFM is included in the remuneration figures disclosed. Accordingly the figures are not representative of any individual's actual remuneration. The information needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable.

The amounts shown below reflect payments made in respect of the financial year 1 January 2022 to 31 December 2022.

	Fixed Remuneration £000	Variable Remuneration (incl. carried interest) £000	Total £000	Beneficiaries
Senior Management	2,221	5,036	7,257	9
Other Identified Staff	3,477	17,850	21,327	18

