

Our ref: Sample

(Date)

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Dear (Salutation)

M&G Property fund suspensions and proposed closure - how it affects you

I'm writing to let you know that the M&G Property funds listed below, one or more of which you are invested in, were suspended by the fund manager on **Thursday 19 October 2023**.

M&G Feeder of Property Portfolio Acc	GB00B8FSZ434
M&G Feeder of Property Portfolio Acc -U	GB00B7SX7S61
M&G Feeder of Property Portfolio Inc	GB00B8FWH509
M&G Feeder of Property Portfolio Inc -U	GB00B842HT59
M&G Property Portfolio Acc -U	GB00B8FYD926

Why have the funds been suspended?

The funds aim to provide investors with a total return (the combination of capital growth and income) through investment in UK commercial property, whilst allowing them to manage their investment on a daily basis. Property funds have been less popular with investors over the last few years. Investors have sold their holdings, and the funds are smaller. M&G believes withdrawals from the funds are likely to continue and there is a risk this may accelerate in the future. As the funds reduce in size, it becomes necessary to sell some of the funds larger properties and buy smaller ones. Doing this incurs high transaction costs which will negatively impact the performance of the funds.

M&G believe that the funds will continue to reduce in size, and after considering a number of options, they have decided it is in the best interests of investors to close the funds, subject to FCA approval. In order to protect all investors, M&G suspended the funds from **Thursday 19 October 2023**.

Once FCA approval has been received to close the funds, M&G will initiate an orderly sale of the properties, seeking to achieve fair market prices for investors. M&G expect this process to take approximately 18 months for the majority of the portfolio to be sold, although there is no guarantee this can be achieved within this timeframe.

M&G will allocate sale proceeds to investors as they are completed. More information will be communicated as soon as possible following approval of the closures from the FCA.

How the fund suspensions will affect your account

Whilst the funds are suspended, you will not be able to pay money in or take money out of the funds and you will also be unable to move your money from these funds into other funds (a transaction known as 'fund switching'). There are certain other contractual payments, such as death claims, where we may make payments in full, including the value of the suspended funds.

Phasing and Rebalancing – Any **phased investment** or **rebalancing** instructions using the funds will automatically continue. Unless you give us an alternative instruction, the portion allocated to the suspended funds will be used to buy units in the other assets in your current instruction, or cash if the suspended fund is the only fund in your instruction.

- **Direct Debits** – If you are paying into the fund by Direct Debit:
 - 1) payments up to and including **19 October 2023** will have been allocated to the funds
 - 2) payments from **20 October 2023** will buy units proportionally across the other assets in your Direct Debit instruction. If the suspended fund is the only fund in your Direct Debit instruction, we will allocate your payment to cash, where it will stay until you send us a new instruction.

CONDITIONAL WORDING *if model portfolio*

- **Phasing and Rebalancing** – Any **phased investment** or **rebalancing** instructions using the funds will automatically continue. These will either buy units in the other assets in the portfolio proportionally, or go into cash, depending on how your adviser set up the model portfolio you are invested in. Alternatively, we will update the instruction if your financial adviser provides a revised asset choice.
- **Direct Debits** – If you are paying into the funds by Direct Debit, future payments will either buy units, proportionally in the other assets in the portfolio, or go into cash, depending on how your adviser set up the model portfolio you are invested in. Alternatively, we will update the instruction if your financial adviser provides a revised asset choice. **END**

Please remember, cash may not be suitable for your long-term investment needs.

If you have any questions

If you have any questions about this letter, please speak to your financial adviser who will be able to help you.

We are in regular communication with M&G and will be providing updates on our website [quilter.com/mg-securities](https://www.quilter.com/mg-securities)

Alternatively, you can call or email us using the details shown and we will be happy to help. Our Customer Service Centre is open 8:30am – 5:30pm, Monday to Friday.

Yours sincerely



Callum Earl

Head of Customer Operations

If you have an authorised financial adviser, we have made a copy of this letter available for them to view online