

M&G Property fund closures

Dear ISA,

I wrote to you previously regarding the suspensions of the M&G Property funds listed below, that you invest in as part of a model portfolio set up by your financial adviser. The funds will be closing from **29 December 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

The funds have been suspended since 19 October 2023.

Your financial adviser will take any action that needs to be taken and, if necessary, help to address any questions you may have.

How the fund closing will affect your account

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

Cash may not be suitable for your longer-term investment needs and could be used to pay your financial adviser's fees and/or our charges leaving less to invest. We recommend you speak to your financial adviser about your investments before making any investment decisions.

What happens next

M&G will commence the closure from 29 December 2023 and will make an initial payment on or around 8 February 2024.

M&G intend to make further payments as asset sales are completed, and anticipate these payment to take place on a quarterly basis. We will write to you every time a payment occurs. M&G expect it will take approximately 18 months for the majority of the portfolio to be sold.

Capital gains tax – Collective Investment Account only

If you choose to sell or switch your holdings, this is a disposal for capital gains tax purposes. Please speak to your financial adviser to understand how this may affect you.

Why the fund manager is closing the fund

Property funds have been less popular with investors over the last few years. Investors have sold their holdings and the fund is smaller. M&G believes withdrawals from the fund are likely to continue and there is a risk this may continue in the future. As the fund reduces in size, it becomes necessary to sell some of its larger properties and buy smaller ones. Doing this will incur high transaction costs which will negatively impact the performance of the fund.

As the fund will continue to reduce in size, M&G have decided that it is in the best interest of investors to closure the fund.

For any other questions you can call our Customer Service Centre on freephone 0808 171 2626 or email us at ask@quilter.com, but please remember we are not authorised to give you any investment advice.

Yours sincerely,

Callum Earl
Head of Client Services

Please make sure you keep a copy of this email for future reference.

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

Our reference: 6485/AM/CLT

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