

M&G Feeder of Property Portfolio

**Annual report and audited financial statements
for the year ended 30 September 2024**

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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 2024.

The audited financial statements of M&G Feeder of Property Portfolio, the Manager's Reports 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

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, 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)

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)

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, Gogarburn, 175 Glasgow Road

Edinburgh EH12 1HQ, UK

(Authorised and regulated by the Financial Conduct 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 2024 can be found on our website at mandg.com/investments/valueassessment

Manager's Report

Climate-related Financial Disclosures (TCFD)

The fund was closed in December 2023, and is in the process of liquidating its assets and winding up. As a result, TCFD report is not required per ESG 2.3.4.

Important information

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

The ACD of the M&G Property Portfolio together with the Manager of its feeder, M&G Feeder of Property Portfolio have decided to close both funds. 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 were suspended on Thursday 19 October 2023. We commenced the wind down of the M&G Property Portfolio and its feeder M&G Feeder of Property Portfolio on Friday 29 December 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.

From January 2025 the operating charge figure will not include the underlying charges for closed-ended-funds, such as investment trusts and 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.

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 FCA, except the non-compliance in relation to the COLL 7.4.3 R (1) (c) & (d) as detailed in note 17 to the financial statement on page 29.

M&G Securities Limited
17 March 2025

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 2024

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the 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 cash flows 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 is 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.

On 19 October 2023, the ACD announced its intention to close the Scheme and dealing was suspended on the same date. On 17 November 2023, the FCA approved ACD's request to close the Scheme. On 29 December 2023 closure of the Scheme commenced.

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 of the Scheme, with the exception of a technical breach of COLL 7.4.3 R (1) (c) & (d) that occurred following the commencement of the closure of the Scheme. There was no investor impact due to the technical error; and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

Edinburgh
17 March 2025

NatWest Trustee and
Depository 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 2024, 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, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 September 2024 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 matters – financial statements prepared on a basis other than going concern and non-compliance with COLL 7.4.3

We draw attention to note 2a to the financial statements which explains that the Manager intends to wind down 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. We also draw attention to Note 17 to the financial statements which explains that COLL 7.4.3 has been breached in the period. COLL 7.4.3 states that the fund must cease to cancel units except in respect of the final cancellation once termination of the fund has commenced. The fund has cancelled units in the period and the financial statements have been prepared reflecting the cancellations processed since the commencement of termination. Our opinion is not modified in respect of these matters.

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

Independent Auditor's Report

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.

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 3, 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.

Our approach was as follows:

Independent Auditor's Report

- 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. We identified an instance of non-compliance with the FCA Collective Investment Schemes Sourcebook as described in the above 'Emphasis of matters' paragraph.
- 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
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
17 March 2025

Ernst & Young LLP
Statutory Auditor

Manager's Report

M&G Feeder of Property Portfolio is in the process of winding up and is no longer open to investment. For the purposes of these financial statements, the Prospectus dated 29 December 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.

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 to 24.

Manager's Report

Investment review

For the year ended 30 September 2024

Important information

On 19 October 2023, M&G announced the suspension of dealing in the M&G Property Portfolio (the Fund) and the feeder fund, the M&G Feeder of Property Portfolio. The wind down of the fund and the feeder fund began on 29 December 2023.

In recent years, open-ended property funds have seen a decline in popularity among investors, leading to significant redemptions. Consequently, both the fund and the feeder fund have contracted in size. We anticipated that these withdrawals were likely to persist, with the potential for an acceleration in the future. As the fund's size diminished, it would have become necessary to sell properties to meet redemption requests. Such actions would have incurred substantial transaction costs, which could have adversely affected the fund's overall performance.

Given our expectation of a continued reduction in fund size, and after a thorough consideration of alternative strategies, it was concluded that the most appropriate course of action would be to close both the fund and the feeder fund. This decision was made to facilitate an orderly disposal of the fund's assets and ensure a timely return of proceeds to investors.

With effect from the commencement of the fund's closure, the requirement to meet the Investment objective and policy of the M&G Feeder of Property Portfolio and the return to the comparator benchmarks fell away.

Investment activities of the underlying fund

An orderly sales programme is under way with the objective of ensuring that fair market prices are achieved. In the current market conditions, M&G expects it will take until approximately end of 2025 for the majority of the M&G Property Portfolio's assets to be sold.

Investment volumes remained muted throughout the review period, however, we expect to see more transaction activity in the coming months, as asset valuations have stabilised across most sectors. The prevailing market view is that property yields have now peaked and combined with the significant degree of repricing already recorded in the UK, this has increased our confidence that values are close to their bottom.

Since the announcement of M&G's intention to close the fund and the feeder fund, we have disposed of many of the fund's real estate investment properties. At the end of September, a further two properties were under offer.

In November 2023, we completed on the sale of The Gracechurch Centre, a shopping centre in Sutton Coldfield, and in March 2024, we completed on the sale of Parc Trostre, a retail warehouse park in Llanelli, South Wales. Further sales in 2024 included the fund's remaining five Travelodge hotels, a shopping centre in Maidstone, Kent, and the part sale of offices at The Yard, London.

Since the suspension in trading, we have made three capital repayments to customers. The initial repayment of £91 million occurred in February, representing approximately 17% of the value of customer holdings as of 8 February 2024. Another capital repayment of £50 million was made in May, representing approximately 12.5% of customer holdings as of 1 May 2024.

We announced a third capital repayment on 6 September 2024. In September 2024, £46 million was returned, representing approximately 13.5% of customer holdings as of 4 September 2024.

We announced a fourth capital repayment on 5 December 2024. In December 2024, £60 million was returned, representing approximately 21% of customer holdings as of 2 December 2024.

Manager's Report

Fund performance

As the M&G Feeder of Property Portfolio is now in the process of an orderly wind-up and returning capital to investors, the trust's performance has not been actively analysed.

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.

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 30.09.24 £'000	as at 30.09.24 %	as at 30.09.23 %
Collective investment schemes	219,951	94.83	98.97
342,456,083 M&G Property Portfolio Sterling Class 'F' Income ^a	219,951	94.83	
Portfolio of investments	219,951	94.83	98.97
Net other assets/(liabilities)	11,995	5.17	1.03
Net assets attributable to unitholders	231,946	100.00	100.00

^a Related party.

Portfolio statement

Portfolio transactions		
for the year to 30 September	2024 £'000	2023 £'000
Total purchases	219	27,564
Total sales	161,424	122,435

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, historic prices, distribution rates, performance information (including a range of performance graphs) and other documents, please visit our website at 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 % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	-11.6	-7.0	-6.4	-2.3
Class 'A' Accumulation	-11.6	-7.0	-6.5	-2.4
Class 'D' Income	-11.3	-6.6	-6.0	-1.8
Class 'D' Accumulation	-11.3	-6.6	-6.0	-1.8
Class 'I' Income	-11.4	-6.7	-6.1	-1.9
Class 'I' Accumulation	-11.5	-6.8	-6.2	-1.9
Class 'R' Income	-11.5	-6.9	-6.3	-2.1
Class 'R' Accumulation	-11.6	-6.9	-6.3	-2.1
Benchmark	+1.6	-1.1	-0.9	+1.4

^a Not annualised.

Calculated on price basis rather than adjusted NAV basis.

Capital repayments of the underlying fund

A first capital repayment was made on various dates in February 2024, depending on what investors have opted to do with their holding. This represented £91 million, approximately 17% of the value of holdings calculated as of 2 February 2024.

A second capital repayment to customers was announced on 2 May 2024. In May, we returned £50 million, representing approximately 12.5% of customer holdings as of 1 May 2024.

A third capital repayment to customers was announced on 6 September 2024. In September, we returned £46 million, representing approximately 13.5% of customer holdings as of 4 September 2024.

A fourth capital repayment to customers was announced on 5 December 2024. In December, we returned £60 million, representing approximately 21% of customer holdings as of 2 December 2024.

The M&G Feeder of Property Portfolio's portion of the underlying fund's capital repayments have been (and will continue to be) returned to investors on a pro-rata basis via capital repayments.

We'll continue to keep customers updated with the progress on the fund's closure and future payments on the M&G website.

Financial highlights

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).

'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

The unit class was launched on 18 January 2013.

for the year to 30 September Change in NAV per unit	2024 UK p	2023 UK p	2022 UK p
Opening NAV	52.27	62.90	62.53
Return before charges*	(7.35)	(6.55)	4.51
Property expenses	(0.79)	(0.94)	(0.62)
Operating charges	(0.39)	(0.78)	(0.86)
Return after charges*	(8.53)	(8.27)	3.03
Distributions	(2.37)	(2.36)	(2.66)
Closing NAV	41.37	52.27	62.90
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	(16.32)	(13.15)	4.85
Other information			
Closing NAV (£'000)	18,204	37,990	53,059
Number of unit	44,000,573	72,674,219	84,350,132
Property expenses (%)	1.64	1.71	0.95
Other operating charges (%)	0.81	1.41	1.32
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest unit price (UK p)	55.37	66.86	67.31
Lowest unit price (UK p)	44.19	52.82	63.13

Sterling Class 'A' Accumulation unit

The unit class was launched on 18 January 2013.

for the year to 30 September Change in NAV per unit	2024 UK p	2023 UK p	2022 UK p
Opening NAV	82.81	95.44	91.13
Return before charges*	(11.90)	(9.95)	6.47
Property expenses	(1.28)	(1.47)	(0.90)
Operating charges	(0.63)	(1.21)	(1.26)
Return after charges*	(13.81)	(12.63)	4.31
Distributions	(3.23)	(2.58)	(2.78)
Retained distributions	3.23	2.58	2.78
Closing NAV	69.00	82.81	95.44
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	(16.68)	(13.23)	4.73
Other information			
Closing NAV (£'000)	2,018	3,951	14,390
Number of unit	2,924,616	4,771,086	15,077,166
Property expenses (%)	1.64	1.71	0.95
Other operating charges (%)	0.81	1.41	1.32
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest unit price (UK p)	87.70	101.48	100.81
Lowest unit price (UK p)	72.66	82.64	92.01

Financial highlights

Sterling Class 'D' Income unit

The unit class was launched on 18 January 2013.

for the year to 30 September Change in NAV per unit	2024 UK p	2023 UK p	2022 UK p
Opening NAV	1,585.84	1,895.83	1,871.99
Return before charges*	(224.60)	(199.75)	132.57
Property expenses	(24.18)	(28.46)	(18.45)
Operating charges	(6.18)	(12.48)	(13.01)
Return after charges*	(254.96)	(240.69)	101.11
Distributions	(70.80)	(69.30)	(77.27)
Closing NAV	1,260.08	1,585.84	1,895.83
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	(16.08)	(12.70)	5.40
Other information			
Closing NAV (£'000)	404	975	1,382
Number of unit	32,061	61,473	72,885
Property expenses (%)	1.64	1.71	0.95
Other operating charges (%)	0.42	0.75	0.67
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest unit price (UK p)	1,680.55	2,015.15	2,024.72
Lowest unit price (UK p)	1,345.50	1,601.95	1,889.90

Sterling Class 'D' Accumulation unit

The unit class was launched on 18 January 2013.

for the year to 30 September Change in NAV per unit	2024 UK p	2023 UK p	2022 UK p
Opening NAV	2,305.85	2,642.28	2,508.96
Return before charges*	(333.62)	(278.63)	176.24
Property expenses	(35.63)	(40.18)	(25.17)
Operating charges	(9.04)	(17.62)	(17.75)
Return after charges*	(378.29)	(336.43)	133.32
Distributions	(96.87)	(83.87)	(90.12)
Retained distributions	96.87	83.87	90.12
Closing NAV	1,927.56	2,305.85	2,642.28
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	(16.41)	(12.73)	5.31
Other information			
Closing NAV (£'000)	5,781	11,123	12,805
Number of unit	299,938	482,393	484,628
Property expenses (%)	1.64	1.71	0.95
Other operating charges (%)	0.42	0.75	0.67
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest unit price (UK p)	2,443.29	2,808.32	2,787.11
Lowest unit price (UK p)	2,029.16	2,292.03	2,533.58

Financial highlights

Sterling Class 'I' Income unit

The unit class was launched on 18 January 2013.

for the year to 30 September Change in NAV per unit	2024 UK p	2023 UK p	2022 UK p
Opening NAV	56.47	67.68	67.01
Return before charges*	(7.98)	(7.09)	4.79
Property expenses	(0.86)	(1.02)	(0.66)
Operating charges	(0.30)	(0.60)	(0.64)
Return after charges*	(9.14)	(8.71)	3.49
Distributions	(2.53)	(2.50)	(2.82)
Closing NAV	44.80	56.47	67.68
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	(16.19)	(12.87)	5.21
Other information			
Closing NAV (£'000)	22,363	49,345	84,426
Number of unit	49,915,559	87,383,467	124,744,538
Property expenses (%)	1.64	1.71	0.95
Other operating charges (%)	0.57	1.01	0.92
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest unit price (UK p)	59.83	71.94	72.33
Lowest unit price (UK p)	47.85	57.05	67.65

Sterling Class 'I' Accumulation unit

The unit class was launched on 18 January 2013.

for the year to 30 September Change in NAV per unit	2024 UK p	2023 UK p	2022 UK p
Opening NAV	1,139.83	1,308.75	1,245.23
Return before charges*	(164.45)	(137.24)	88.15
Property expenses	(17.60)	(19.92)	(12.51)
Operating charges	(6.10)	(11.76)	(12.12)
Return after charges*	(188.15)	(168.92)	63.52
Distributions	(46.56)	(39.16)	(41.92)
Retained distributions	46.56	39.16	41.92
Closing NAV	951.68	1,139.83	1,308.75
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	(16.51)	(12.91)	5.10
Other information			
Closing NAV (£'000)	183,103	356,222	489,194
Number of unit	19,239,881	31,252,256	37,378,906
Property expenses (%)	1.64	1.71	0.95
Other operating charges (%)	0.57	1.01	0.92
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest unit price (UK p)	1,207.54	1,390.97	1,381.00
Lowest unit price (UK p)	1,001.94	1,134.75	1,257.39

Financial highlights

Sterling Class 'R' Income unit

The unit class was launched on 18 January 2013.

for the year to 30 September Change in NAV per unit	2024 UK p	2023 UK p	2022 UK p
Opening NAV	53.25	63.99	63.51
Return before charges*	(7.49)	(6.69)	4.57
Property expenses	(0.81)	(0.96)	(0.63)
Operating charges	(0.36)	(0.70)	(0.77)
Return after charges*	(8.66)	(8.35)	3.17
Distributions	(2.40)	(2.39)	(2.69)
Closing NAV	42.19	53.25	63.99
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	(16.26)	(13.05)	4.99
Other information			
Closing NAV (£'000)	18	37	45
Number of unit	43,527	70,005	70,005
Property expenses (%)	1.64	1.71	0.95
Other operating charges (%)	0.72	1.26	1.17
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest unit price (UK p)	56.41	68.01	68.44
Lowest unit price (UK p)	45.06	53.81	64.12

Sterling Class 'R' Accumulation unit

The unit class was launched on 18 January 2013.

for the year to 30 September Change in NAV per unit	2024 UK p	2023 UK p	2022 UK p
Opening NAV	111.65	128.45	122.43
Return before charges*	(16.06)	(13.41)	8.75
Property expenses	(1.72)	(1.95)	(1.22)
Operating charges	(0.76)	(1.44)	(1.51)
Return after charges*	(18.54)	(16.80)	6.02
Distributions	(4.43)	(3.61)	(3.90)
Retained distributions	4.43	3.61	3.90
Closing NAV	93.11	111.65	128.45
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	(16.61)	(13.08)	4.92
Other information			
Closing NAV (£'000)	55	105	123
Number of unit	58,676	94,370	95,596
Property expenses (%)	1.64	1.71	0.95
Other operating charges (%)	0.72	1.26	1.17
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest unit price (UK p)	118.26	136.51	135.59
Lowest unit price (UK p)	98.03	111.32	123.62

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Statement of total return

for the year to 30 September		2024		2023	
	Note	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	6		(74,722)		(98,911)
Revenue	8	20,175		25,473	
Expenses	9	(1,916)		(4,628)	
Interest payable and similar charges		0		0	
Net revenue/(expense) before taxation		18,259		20,845	
Taxation	10	(3,139)		(3,501)	
Net revenue/(expense) after taxation			15,120		17,344
Total return before distributions			(59,602)	(81,567)	
Distributions	11		(15,529)		(18,443)
Change in net assets attributable to unitholders from investment activities			(75,131)	(100,010)	

Statement of change in net assets attributable to unitholders

for the year to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		459,748		655,424
Amounts received on issue of units	209		20,253	
Amounts paid on cancellation of units	(10,285)		(131,202)	
Capital repayments	(155,744)		0	
		(165,820)		(110,949)
Dilution adjustments		1,352		1,707
Change in net assets attributable to unitholders from investment activities (see above)		(75,131)		(100,010)
Retained distributions on Accumulation units		11,796		13,576
Unclaimed distributions		1		0
Closing net assets attributable to unitholders		231,946		459,748

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Balance sheet

as at 30 September	Note	2024 £'000	2023 £'000
Assets			
Current assets			
Investments		219,951	454,992
Debtors	12	8,382	12,489
Cash and bank balances	13	7,827	49
Total assets		236,160	467,530
Liabilities			
Creditors			
Distribution payable		(593)	(919)
Other creditors	14	(2,963)	(6,153)
Deferred tax provision	10	(658)	(710)
Total liabilities		(4,214)	(7,782)
Net assets attributable to unitholders		231,946	459,748

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Cashflow statement

for the year to 30 September	2024		2023	
	£'000	£'000	£'000	£'000
Operating activities				
Net revenue/(expense) before taxation	18,259		20,845	
Adjustments for:				
Interest earned	(20)		(23)	
Dividend earned	(20,155)		(25,450)	
Movement in non-property creditors	(337)		(209)	
Cash outflow from operations		(2,253)		(4,837)
Interest received	20		2	
Dividend received	18,608		23,692	
Net cash generated from operating activities		18,628		23,694
Investing activities				
Investment purchases	(247)		(27,712)	
Investment sales	161,782		123,108	
Net cash from investing activities		161,535		95,396
Financing activities				
Amounts received on issue of shares	232		20,361	
Amounts paid on cancellation of shares	(12,300)		(132,657)	
Capital repayments	(155,744)		0	
Dilution adjustments	1,352		1,707	
Distributions paid	(3,282)		(5,052)	
Taxation	(391)		1,389	
Unclaimed distributions received	1		0	
Net cash used in financing activities		(170,132)		(114,252)
Net increase/(decrease) in cash and cash equivalents		7,778		1
Cash and cash equivalents at the beginning of the year		49		48
Net increase/(decrease) in cash for the year		7,778		1
Cash and cash equivalents at end of the year		7,827		49

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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.

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 2024, 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.

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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:

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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.

The fund is subject to interest rate risk with respect to cash deposits and overdrafts.

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.

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. As the fund is suspended, market risk and liquidity risk are being managed through an orderly sales program with the objective of ensuring that fair market price are achieved. Available cash is then being returned at regular intervals via capital repayments.

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.

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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 Capital repayment policy

In order to conduct a controlled flow to unitholders, capital repayments will be made at regular intervals at the trust manager's discretion, provided sufficient cash has been made available from the capital repayments received from the underlying fund.

6 Net capital gains/(losses)

for the year to 30 September	2024 £'000	2023 £'000
Non-derivative securities ^a	(74,722)	(98,911)

a Includes realised losses of £69,888,000 and unrealised losses of £4,834,000. (2023: realised losses of £27,855,000 and unrealised losses of £71,056,000). Certain realised gains and losses in the current year were unrealised in the prior year.

7 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.

for the year to 30 September	2024 £'000	2023 £'000
a) Purchases		
Collective investment schemes	219	27,564
Total purchases after transaction costs	219	27,564
b) Sales		
Collective investment schemes	161,424	122,435
Total sales after transaction costs	161,424	122,435
c) Direct portfolio transaction costs		
For underlying transaction costs refer to the M&G Property Portfolio financial statements.		
d) Indirect portfolio transaction costs	%	%
Average portfolio dealing spread as at the balance sheet date	2.42	5.31

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8 Revenue

for the year to 30 September	2024 £'000	2023 £'000
Bank interest	20	2
Distributions from collective investment schemes: non-taxable	1,655	2,767
Distributions from collective investment schemes: taxable	3,034	2,733
Distributions from collective investment schemes: property income dividends	15,466	19,950
HMRC interest	0	21
Total revenue	20,175	25,473

9 Expenses

for the year to 30 September	2024 £'000	2023 £'000
Payable to the Manager or associate		
Annual charge	1,916	4,628
Total expenses	1,916	4,628

Audit fees for the financial year ending 2024 were £5,500 (2023: £6,500) (including VAT), which are covered by the annual charge.

10 Taxation

for the year to 30 September	2024 £'000	2023 £'000
a) Analysis of charge in the year		
Corporation tax	3,191	4,391
Withholding tax	0	0
Deferred tax (note 9c)	(52)	(890)
Total taxation	3,139	3,501
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	18,259	20,845
Corporation tax at 20%	3,652	4,169
Effects of:		
Distributions from collective investment schemes: non-taxable	(513)	(668)
Total tax charge (note 9a)	3,139	3,501
c) Provision for deferred taxation		
Provision at the start of the year	710	1,600
Deferred tax in profit and loss account (note 9a)	(52)	(890)
Provision at the end of the year	658	710

The trust has not recognised a deferred tax asset in the current financial year (2023: same).

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11 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	2024		2023	
	Inc	Acc	Inc	Acc
	£'000	£'000	£'000	£'000
Dividend distributions				
First interim	773	2,882	1,156	3,295
Second interim	1,053	4,329	1,265	3,855
Third interim	537	2,128	1,110	3,430
Final	593	2,457	919	2,996
Total net distributions		14,752		18,026
Income deducted on cancellation of units		777		480
Income received on issue of units		0		(63)
Distributions		15,529		18,443
Net revenue/(expense) per statement of total return		15,120		17,344
Expenses offset against capital		409		1,099
Distributions		15,529		18,443

12 Debtors

as at 30 September	2024	2023
	£'000	£'000
Amounts receivable on issues of units	0	23
Distributions receivable	3,330	4,696
Sales awaiting settlement	0	1,239
Tax recoverable	5,052	6,531
Total debtors	8,382	12,489

13 Cash and bank balances

as at 30 September	2024	2023
	£'000	£'000
Cash held as bank balances	7,827	49
Total cash and bank balances	7,827	49

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14 Other creditors

as at 30 September	2024 £'000	2023 £'000
Amounts payable on cancellation of units	0	1,238
Annual charge payable	164	501
Corporation tax payable	2,799	4,391
Purchases awaiting settlement	0	23
Total other creditors	2,963	6,153

15 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 2024	Increase in equivalent yield 25bps £'000	Decrease in equivalent yield 25bps £'000
Office	(2,494)	2,668
Industrial	(2,035)	2,205
Leisure	(1,915)	2,051
Other	(1,630)	1,766
Total	(8,074)	8,690

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
Total	(16,542)	18,010

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	2024 £'000	2023 £'000
Not later than one year	19,943	26,556
Later than one year and not later than five years	69,661	90,887
Later than five years	167,282	228,539
Total	256,886	345,982

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16 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2023: same).

17 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 18 below.

Since the closure of the trust, M&G has paid (and will continue to pay) any cash made available from the capital repayments received from the underlying fund on a pro-rata basis to unitholders. To facilitate the capital repayments, M&G elected to use the standard unit redemption and cancellation process, as this was in the best interests of unitholders, given it was the most appropriate and timely way to pay unitholders. In redeeming and cancelling units to make payments to our unitholders M&G are in breach of COLL 7.4.3 R (1) (c) & (d) which states that once the termination of the fund has commenced, the fund must cease to cancel units except in respect of the final cancellation. As the fund has cancelled units in the period, the financial statements have been prepared to reflect these cancellations. The table below includes cancellations taking place before post commencing the wind-down and those processes as part of the capital repayments. Please refer to the 'Capital repayments of the underlying fund' section on page 13 for further details of the payments made since closure.

Unit class	Opening 01.10.23	Issued	Movements Cancelled	Converted	Closing 30.09.24
Sterling					
Class 'A' Income	72,674,219	37,921	(28,711,567)	0	44,000,573
Class 'A' Accumulation	4,771,086	18,358	(1,864,828)	0	2,924,616
Class 'D' Income	61,473	0	(29,412)	0	32,061
Class 'D' Accumulation	482,393	0	(182,455)	0	299,938
Class 'I' Income	87,383,467	59,482	(37,527,390)	0	49,915,559
Class 'I' Accumulation	31,252,256	12,209	(12,024,584)	0	19,239,881
Class 'R' Income	70,005	0	(26,478)	0	43,527
Class 'R' Accumulation	94,370	0	(35,694)	0	58,676

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18 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. M&G is waiving 30% of its annual charge until the fund close. In addition, effective from the date of the suspension, no charges will be applied to any cash that is held within the fund's portfolio. 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.

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

19 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 11. Amounts due to/from M&G Securities Limited in respect of unit transactions at the year end are disclosed in notes 12 and 14 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 9. Amounts due at the year end from the annual charge are disclosed in note 14.

During the year, there were transactions in shares in related parties of M&G Securities Limited with a total value of £161,643,000 (2023: £149,999,000).

At the balance sheet date, the trust held shares in related parties of M&G Securities Limited with a value of £233,992,000 (2023: £454,992,000).

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 16.00% (2023: 15.28%) of the trust's units.

20 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.

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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 2024 £'000	Liabilities 2024 £'000	Assets 2023 £'000	Liabilities 2023 £'000
Basis of valuation				
Level 1	0	0	0	0
Level 2	219,951	0	454,992	0
Level 3	0	0	0	0
	219,951	0	454,992	0

21 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 24.

22 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	01.10.23	31.12.23	02.01.24	29.02.24
Second interim	01.01.24	31.03.24	01.04.24	31.05.24
Third interim	01.04.24	30.06.24	01.07.24	31.08.24
Final	01.07.24	30.09.24	01.10.24	30.11.24

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.

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Sterling Class 'A' Income unit

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4662	0.0230	0.4892	0.5646
Second interim	0.8048	0.0000	0.8048	0.6490
Third interim	0.4712	0.0000	0.4712	0.6003
Final	0.6014	0.0000	0.6014	0.5500

Sterling Class 'A' Accumulation unit

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.6048	0.0000	0.6048	0.5839
Second interim	1.1428	0.0000	1.1428	0.7333
Third interim	0.6283	0.0000	0.6283	0.6670
Final	0.8531	0.0000	0.8531	0.6003

Sterling Class 'D' Income unit

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	14.5204	0.0000	14.5204	16.4481
Second interim	24.1693	0.0000	24.1693	19.0728
Third interim	14.0608	0.0000	14.0608	17.6310
Final	18.0484	0.0000	18.0484	16.1477

Sterling Class 'D' Accumulation unit

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	18.8157	0.0000	18.8157	19.1738
Second interim	33.5342	0.0000	33.5342	23.3424
Third interim	19.1274	0.0000	19.1274	21.5971
Final	25.3951	0.0000	25.3951	19.7537

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Sterling Class 'I' Income unit

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.5091	0.0122	0.5213	0.5950
Second interim	0.8640	0.0000	0.8640	0.6875
Third interim	0.5039	0.0000	0.5039	0.6358
Final	0.6454	0.0000	0.6454	0.5820

Sterling Class 'I' Accumulation unit

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	8.9180	0.0080	8.9260	8.8832
Second interim	16.2509	0.0000	16.2509	10.9771
Third interim	9.1445	0.0000	9.1445	10.1080
Final	12.2410	0.0000	12.2410	9.1883

Sterling Class 'R' Income unit

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.4959	0.0000	0.4959	0.5696
Second interim	0.8183	0.0000	0.8183	0.6565
Third interim	0.4785	0.0000	0.4785	0.6070
Final	0.6116	0.0000	0.6116	0.5564

Sterling Class 'R' Accumulation unit

Ordinary distributions for the year to 30 September	Income	Group 2	Group 1 & 2	
	2024 UK p	Equalisation 2024 UK p	2024 UK p	2023 UK p
First interim	0.8374	0.0000	0.8374	0.8103
Second interim	1.5597	0.0000	1.5597	1.0201
Third interim	0.8650	0.0000	0.8650	0.9341
Final	1.1682	0.0000	1.1682	0.8445

Financial statements and notes

23 Events after the balance sheet date

The fourth capital repayment of £60 million was settled on the underlying fund on 17 December 2024. The M&G Feeder of Property Portfolio's portion of the underlying fund's capital repayments has been returned to investors on a pro-rata basis via capital repayments on 17 December 2024.

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 2024 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 2024.

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 2024.

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](https://www.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 2023 to 31 December 2023.

	Fixed Remuneration £'000	Variable Remuneration (incl. carried interest) £'000	Total £'000	Beneficiaries
Senior Management	522	1,466	1,988	11
Other Identified Staff	2,410	7,681	10,091	25

