

# Non-UCITS retail scheme Key Investor Information

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

## M&G Property Portfolio

Sterling Class X – Income shares ISIN no. GB00B896N165

Managed by M&G Securities Limited

### Objective and investment policy

The fund aims to provide a higher total return (capital growth plus income) net of the Ongoing Charge Figure and Property Expense Ratio, than the average return of the IA UK Direct Property Sector over any five-year period.

**Core investment:** At least 70% of the fund is directly invested in UK commercial property. This may be reduced to 60%, if it is considered prudent for liquidity management.

**Other investments:** The fund may invest in other property-related assets, including other funds, real estate investment trusts, money market instruments and cash or assets that can be turned quickly into cash.

**Derivatives usage:** For investment purposes and to reduce risk and cost.

**Strategy in brief:** The fund manager selects attractively priced properties from across a range of sectors and regions. The focus is on adding value by managing and improving properties to enhance their capital value and rental income. The investment process applies the Responsible Property Investment policy, which among other things considers ESG themes and risk factors. 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 fund seeks to outperform. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

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

**The following information can be found on the M&G website:**

- a [glossary](#) providing an explanation of some terms used in this document
- the Prospectus including the fund's objective and investment policy.
- [Responsible Property Investment policy](#)

#### Other information

You can buy and sell shares in the fund on any business day. Instructions received before 12 noon will be dealt at that day's price.

Any income from the fund may be paid out to you quarterly.

In addition to the charges set out in the charges section, the fund will incur portfolio transaction costs which are paid from the assets of the fund.

Recommendation: This fund may not be appropriate for investors who plan to withdraw their money within 5 years.

### Risk and reward profile

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

■ The price of units in the M&G Feeder of Property Portfolio is largely based on the price of shares in M&G Property Portfolio. Any movement in the price of shares in M&G Property Portfolio, which can be significant, will result in a similar change in the price of units of M&G Feeder of Property Portfolio

Following are the risks that apply to the M&G Property Portfolio:

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

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

■ If an exceptional amount of withdrawals are requested, the fund manager may be forced to sell properties quickly. This could mean that properties are sold more cheaply than usual which would reduce the value of your investment.

■ A significant proportion of the fund may be invested in cash and near cash instruments to facilitate the timely redemption of shares by investors. This will reduce the returns from the fund's direct property investments.

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

■ Commercial property values are affected by interest rates, rental growth, changes in property yields and tenant default. If the property is vacant or if a tenant defaults, there will be a rental shortfall and additional costs are likely to be incurred. These include legal expenses, insurance and maintenance of the property and business rates.

■ Commercial property transaction charges are higher than those which apply in other types of asset. A high volume of transactions would have a material impact on fund performance.

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

■ The fund could lose money if a counterparty with which it does business becomes unwilling or unable to repay money owed to the fund.

■ Operational risks arising from errors in transactions, valuation, accounting, and financial reporting, among other things, may also affect the value of your investments.

Further details of the risks that apply to the fund can be found in the fund's Prospectus at [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature)

## Charges

The charges shown in the table are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charge	1.32%
Charges taken from the fund under certain specific conditions	
Performance fee	None

The entry and exit charges shown are the maximum figures and, in some cases, you may pay less. The exit charge will reduce by 0.5% after the investment has been held for one year, and will subsequently reduce by 1% per year until the investment has been held for five years. No exit charge will apply after five years.

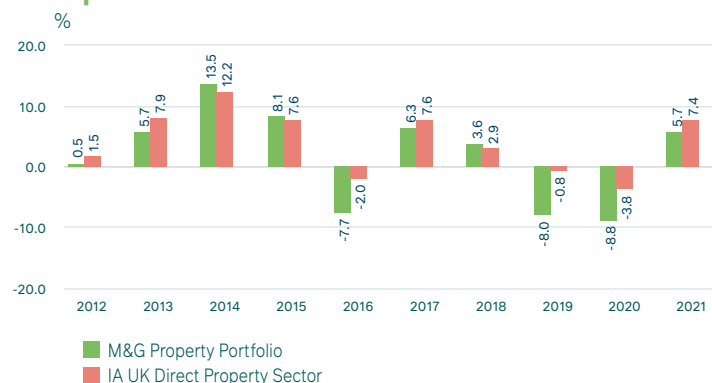
You can find out the exact charges which apply to your investment by contacting your financial adviser or distributor or, if you have invested directly with us, you can contact us using the details given in the practical information section.

The above ongoing charge figure is an estimate of the charges because the Annual Charge has been discounted. The ongoing charge figure may vary from year to year, and excludes portfolio transaction costs. The charges are mostly, if not exclusively, the Annual Charge which may be discounted depending on the size of the fund. The Annual Charge without any discount is 1.25%. The fund's annual report for each financial year will include details on the exact charges made. The ongoing charge figure does not take into account the property operating expenses, also known as the PER, of 1.68%. Included in the PER are repairs and maintenance, insurance, letting costs but not improvements.

For Income shares, the ongoing charge is taken from investments held in the fund's portfolio and not from the income these investments produce. The deduction of this charge will reduce the potential growth of your investment.

**For more information on charges, please see the relevant sections of the Prospectus at [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature)**

## Past performance



- Past performance is not a guide to future performance.
- Performance calculation excludes UK taxes on interest distributions from 1 January 2017. The past Performance calculation continues to include UK taxes on property income distributions and dividend distributions. It does not take into account the entry and exit charges but does take into account the ongoing charge, as shown in the charges section.
- The fund launched on 18 January 2013 and the Sterling Class X Income share class launched on 18 January 2013.
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- M&G Property Portfolio Sterling Class X shares (OEIC) do not have 10 complete years of past performance information available as they launched on 18 January 2013. Therefore, past performance information for M&G Property Portfolio Sterling Class X shares (Unit Trust) has been used for the period shown prior to this date.
- Benchmark performance has been calculated in GBP.

## Practical information

The depositary is NatWest Trustee and Depositary Services Limited.

For more information about this fund, please visit [www.mandg.co.uk/literature](http://www.mandg.co.uk/literature) where you will find a copy of the Prospectus, Instrument of Incorporation and the latest annual or interim Investment Report and Financial Statements. These documents are in English and are available free of charge. Our website also provides other information such as share prices.

UK tax laws apply to the fund, and this may affect your personal tax position. Please speak to an adviser for more information.

Other share classes may exist for the fund as set out in the relevant Prospectus.

For up-to-date details of the staff remuneration policy that applies to M&G Securities Limited, including a description of how remuneration and benefits are calculated, the make-up of the remuneration committee, and the identities of persons responsible for awarding the remuneration and benefits, please visit [www.mandg.co.uk/remuneration](http://www.mandg.co.uk/remuneration). We will provide a paper copy of this information, free of charge, if you require one.

This Fund is authorised in the UK and regulated by the Financial Conduct Authority. M&G Securities Limited is authorised in the UK and regulated by the Financial Conduct Authority.

This key investor information is accurate as at 11 March 2022.