

# 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 I – Accumulation shares ISIN no. GB00B8FYD926

Managed by M&G Securities Limited

### Objective and investment policy

The fund aims to provide a combination of capital growth and income over five years or more by investing mainly in UK commercial property.

**Core investment:** At least 70% of the fund is directly invested in UK commercial property.

**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:** The fund may invest via derivatives and use derivatives to reduce the risks and costs of managing the fund.

**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.

**Benchmark:** IA UK Direct Property sector

The benchmark is a comparator against which the fund's performance can be measured. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark 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.

For unhedged and hedged share classes, the benchmark is shown in the share class currency.

You can find more information about the objective and investment policy of the fund in the Prospectus.

You can find an explanation of some of the terms used in this document in the glossary at <https://docs.mandg.com/docs/glossary-master-en.pdf>

#### 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 will be rolled up into the value of your investment.

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 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.

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

- For large deals, the dealing price investors receive may be different from the published price. If investors are buying units, they may pay a price that is higher than the quoted offer price. If investors are selling units, they may receive a price that is lower than the quoted bid price.

- 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 published dealing prices are on either the 'offer' basis or 'bid' basis, depending on whether investors are generally buying fund shares (the fund is in 'net inflow') or selling shares (the fund is in 'net outflow'). The difference between the two prices is significant; in the past 12 months it has ranged between 6.21% and 7.06%. Therefore, a change in the pricing basis from bid to offer, or vice versa, will lead to a significant decrease or increase in what investors will receive or pay when they sell or buy shares. The pricing basis has not changed frequently; it last changed in July 2016.

- 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.

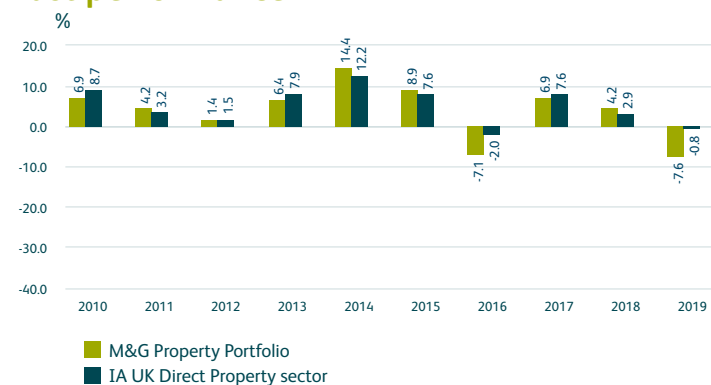
One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charge	0.81%
Charges taken from 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. 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 discount has been removed. 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 0.85%. 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 0.43%. Included in the PER are repairs and maintenance, insurance, letting costs but not improvements.

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 I Accumulation share class launched on 18 January 2013.
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- M&G Property Portfolio Sterling Class I 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 S 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.