

# 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 Feeder of Property Portfolio

Sterling Class D – Income shares ISIN no. GB00B8FT5571

Managed by M&G Securities Limited

### Objective and investment policy

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.

**Core investment:** The trust is close to 100% invested in the M&G Property Portfolio, a Property Authorised Investment fund. The objective of the M&G Property Portfolio fund is 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.

**Strategy in brief:** The manager of the M&G Property Portfolio fund 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 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.

**Additional information can be found on the M&G website, including:**

- 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 shares in the fund on any business day. Instructions received before 12 noon will be dealt at that day's price. You can instruct us to sell shares in the fund on any business day. Provided we receive your instructions before 12 noon, shares will be sold at a price calculated in 90 days' time (please see the Prospectus for details).

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 fund is dual-priced, 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 an drop in the value of your investment immediately after buying 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 a failure or delay in operational processes and systems, or the failure of a third party provider may affect the value of your investments. Where this results in compensation needing to be paid, this may be paid some time after the original loss is experienced.

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	0.57%
Charges taken from the fund under certain specific conditions	
Performance fee	None

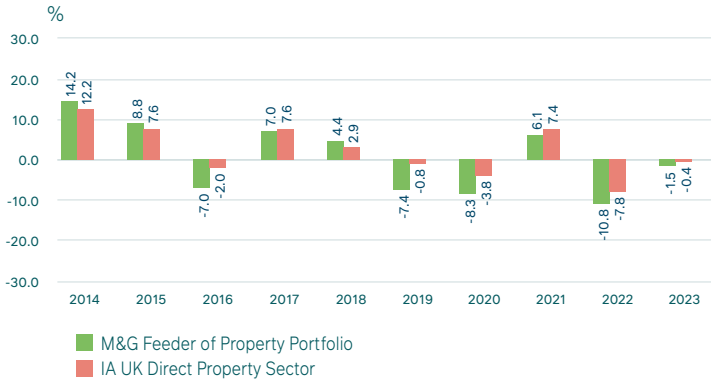
The entry and exit charges shown are the maximum figures and, in some cases, you may pay less. You can find out the exact charges which apply to your investment by contacting your financial adviser or distributor or, if you have invested directly with us, you can contact us using the details given in the practical information section.

The ongoing charge figure shown is an estimate due to a change in the annual charge of the share class. The fund's annual report for each financial year will include details of the exact charges made. This figure may change from year to year. It excludes portfolio transaction costs.

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 includes UK taxes. 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 D Income share class launched on 18 January 2013.
- Performance is calculated using Sterling Class D Income shares.
- Benchmark performance has been calculated in GBP.

## Practical information

The trustee is NatWest Trustee and Depositary Services Limited. IN_Fund Pending_16_UT_RT
UK tax laws apply to the fund, and this may affect your personal tax position. Please speak to an adviser for more information. IN_Other Share Classes_72_UT_RT
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 <a href="http://www.mandg.co.uk/remuneration">www.mandg.co.uk/remuneration</a> . We will provide a paper copy of this information, free of charge, if you require one.