




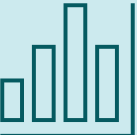


London Borough of Enfield

Marketing Communication for investment professionals only.

Risk disclosures on page 35 - 38

M&G Inflation Opportunities Strategy

Investing in cash flow generating long-dated illiquid assets

	Objective	<ul style="list-style-type: none">Seeking a five-year rolling average return of UK Retail Price Index plus 2.5% (net) p.a. over the life of the fund
	Liability Matching	<ul style="list-style-type: none">IOF fund range was created to invest in assets which pension schemes use to match their long-dated inflation-linked liabilitiesTherefore, this fund is designed such that the value falls when interest rates rise in the same way that liabilities fall when rates riseWe do this by investing in a broad range of assets whose underlying revenues are linked to inflationAssets are typically illiquid and held to maturity, aligning long term assets to long term institutional liabilities
	ESG Considerations	<ul style="list-style-type: none">These funds also help you to address your ESG objectives because by their very nature provide investment into the UK economy, supporting long-term infrastructure and real assets such as social housingMajority of the credit assets could be eligible for SFDR labelled funds, including the property funds which are Article 8
	Experience	<ul style="list-style-type: none">Strategy launched October 2012Strategy AUM including undrawn capital: £2,044m<ul style="list-style-type: none">Pooled funds: £490mSingle investor funds: £1,554m

The strategy includes two pooled funds and five single investor funds.

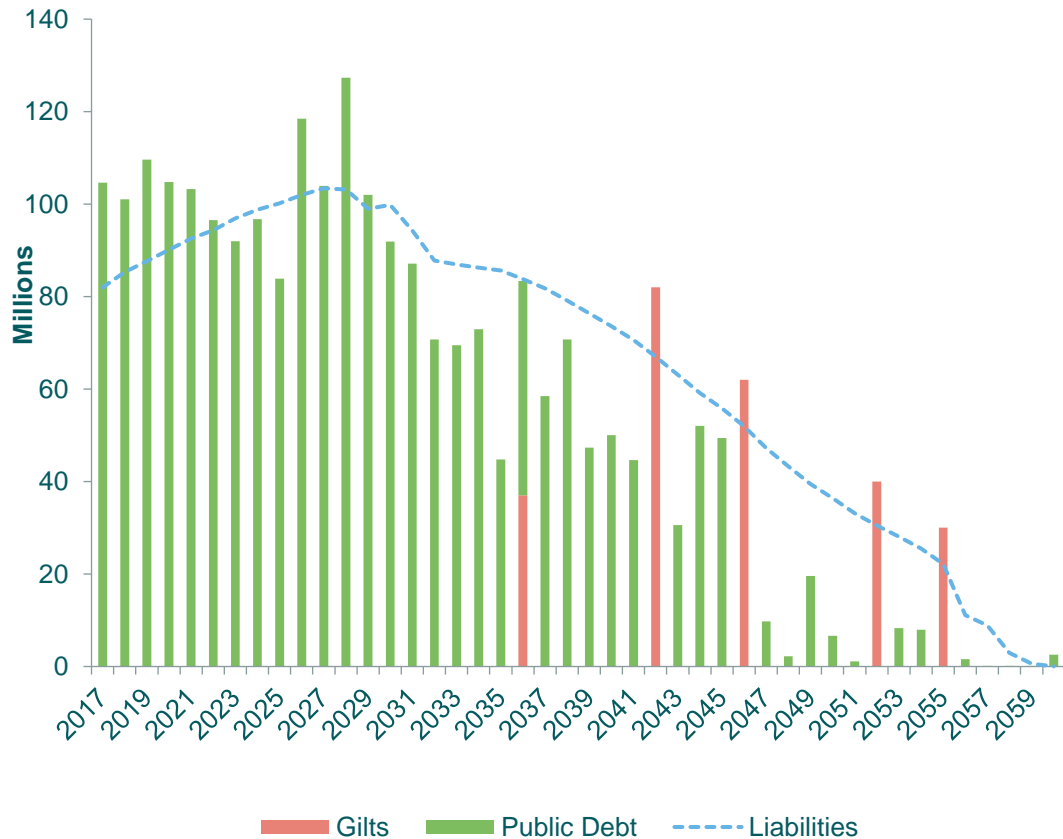
Source: M&G, as at 30 June 2023.

There is no guarantee the objective will be achieved

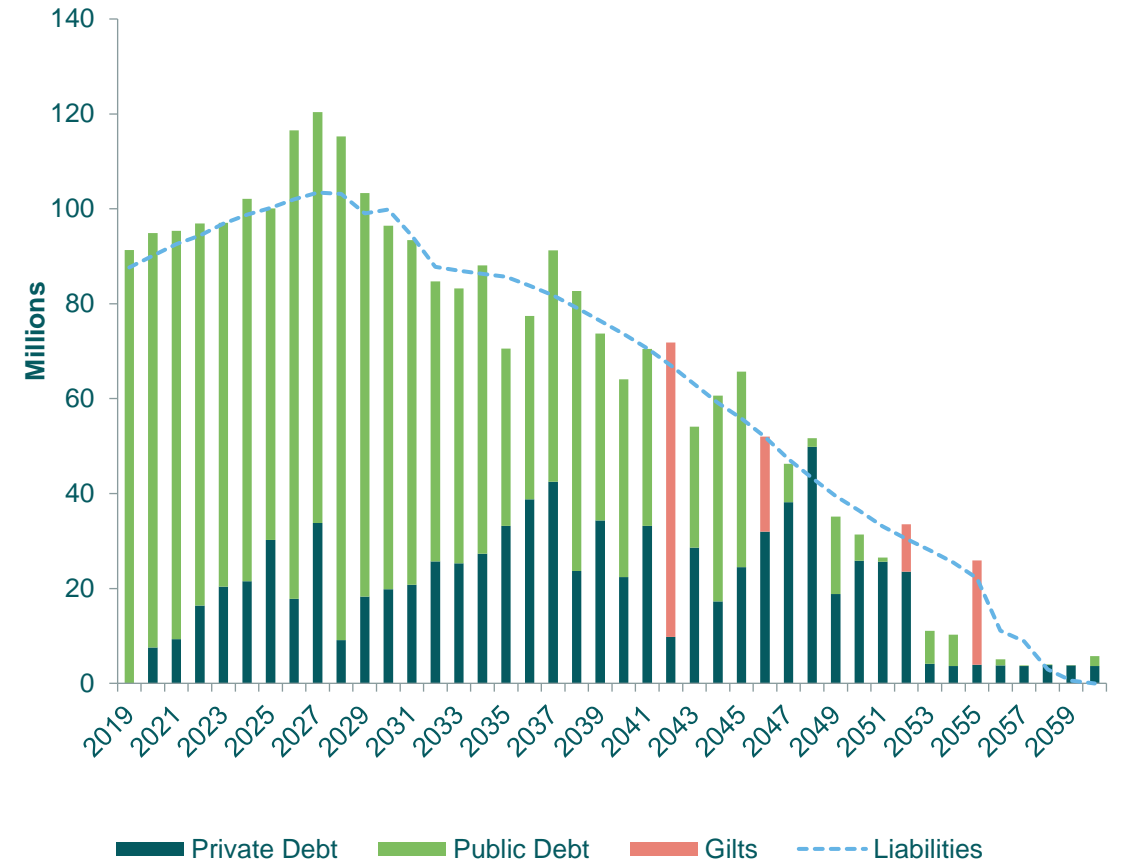
Why Private Credit?

Including Private Credit in traditional portfolios to improve outcomes

Public Only (£m)



Public and Private (£m)



M&G Inflation Opportunities Fund I

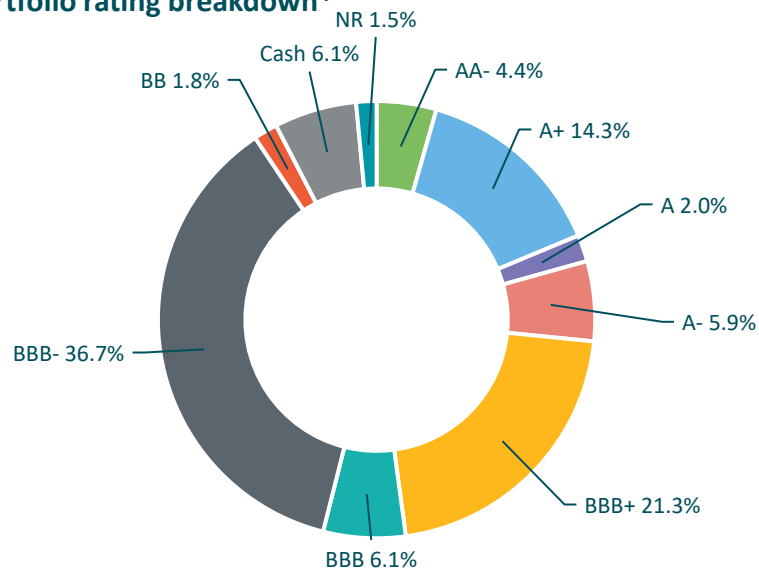
Current Portfolio – Q2 2023 NAV of £273m

Past performance is not a guide to future performance

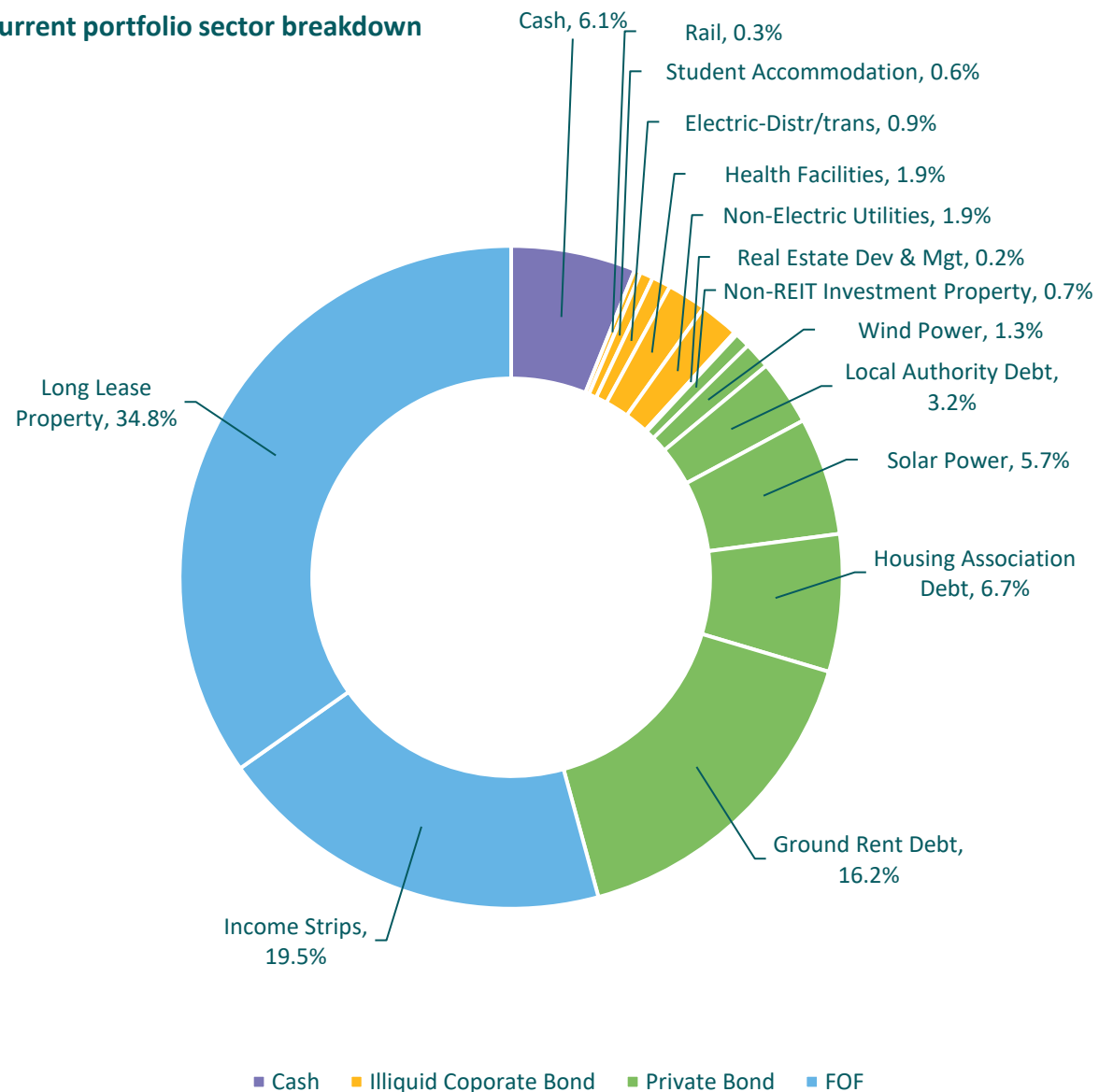
Portfolio snapshot as at 30 June 2023

Metric	Portfolio (Total) ³	Bond Assets	Property Funds SLIF	Property Funds SPIF
Average Rating	BBB+	A-	BBB+	BBB-
Spread	250bps	190bps	281bps ²	317bps ²
Spread Duration	12.38yrs	12.28yrs	15.53yrs ²	11.08yrs ²
Weighted Avg. Coupon	2.67%	2.63%	-	-
Dividend Yield	3.39% ¹	-	4.2%	4.7%
Portfolio Value (%)	100%	45.76%	19.46%	34.78%

Current portfolio rating breakdown*



Current portfolio sector breakdown



Source: M&G, as at 30 June 2023¹ Dividends are paid semi-annually in June and December ² Please note property valuations do not move in a synchronous manner to gilt yields and therefore bond-like sensitivities such as spread and duration are an approximation for the property funds. ³Total portfolio figures and % values including cash

London Local Authority Financing

Bespoke transaction with familiar originator

Investment Rationale	
Opportunity	<ul style="list-style-type: none"> After a lengthy relationship with the originator we were approached with an opportunity to access long dated, local authority backed cashflows within a unique structure £133m of inflation-linked bonds were issued and purchased by M&G for debt repayment after the construction of 447 affordable housing units. M&G also agreed to buy 100% of the units in the unit trust owning these cashflows Cashflows are guaranteed by the local authority
Bespoke Structure	<ul style="list-style-type: none"> The structure is fairly nuanced, the original debt was issued through the leaseholders loan facility, the leaseholder then created a unit trust in which our funds purchased units, we are then repaid through flows to the unit trust We used an s110 company to convert lease payments in a JPUT structure into a debt format that is more attractive to our client base This type of bespoke structure enabled us access to the deal due to our experience and reputation in tailoring these types of transactions, for example we followed similar structures with the set up of our property funds SPIF and SLIF using a JPUT structure
ESG Considerations	<ul style="list-style-type: none"> There is constant demand for social housing with a reported 300,000¹ people on the waiting list in London alone, the construction of more housing is crucial in providing homes for those most vulnerable Majority of the homes are rented at 80% of market rent with a small number at 65% discount to market offering real opportunities for those struggling
Stable and secured	<ul style="list-style-type: none"> The rent increases with RPI allowing for easier cashflow modelling, in many cases, rents are supported by Government housing support payments Notes are senior secured whilst local authorities have significant state sponsorship and robust regulation Affordable and social housing is more likely to provide predictable cashflows than pure market rental



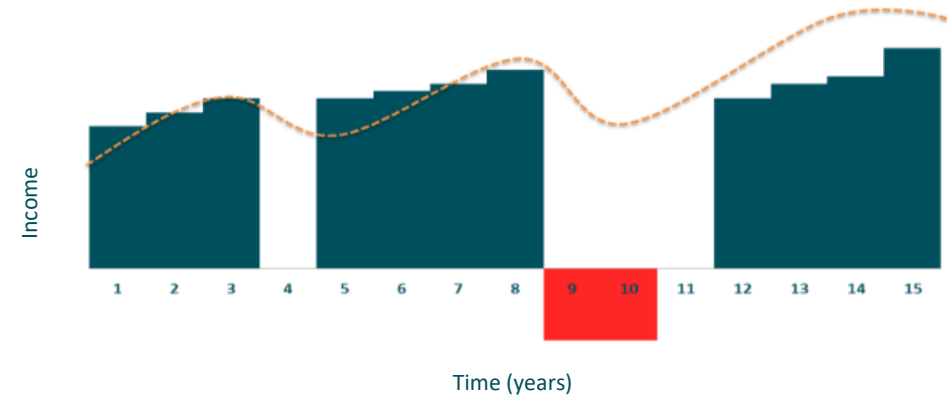
Key Terms	
Total Investment	£132.8m debt plus £12.4m of units purchased by IOF 1-4
M&G Rating	AA/Stable
Spread	G+250bps
Expected Maturity	2073

What makes long lease property so attractive?

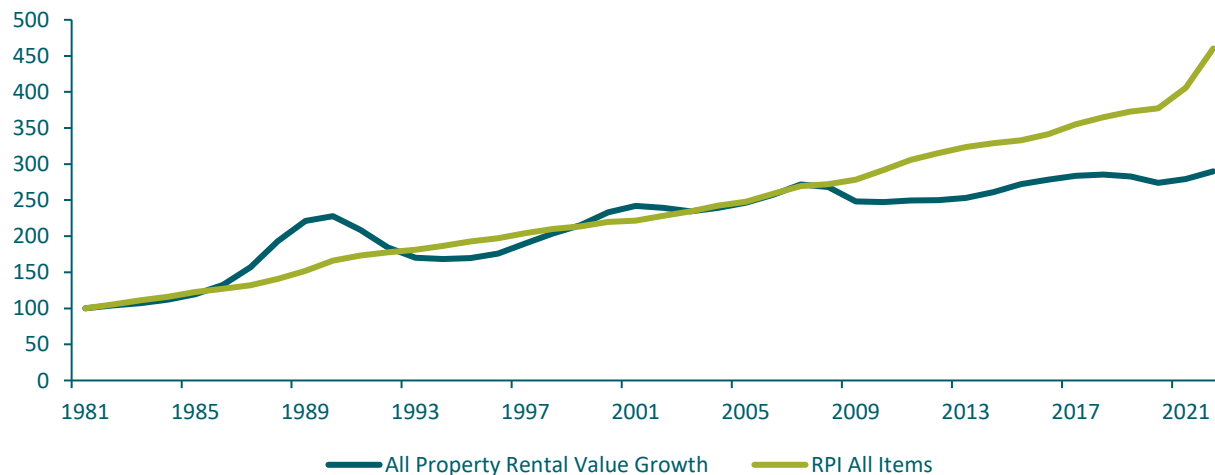
Versus traditional property

- More matching-friendly:
 - **Duration:** significantly longer income
 - **Predictability:** contracted rental growth, RPI has outpaced market rents
 - **Certainty:** not reliant on open market rent reviews, removes impact of voids and capex
 - **Security:** Higher quality tenants AND properties

Traditional property leases – hidden costs



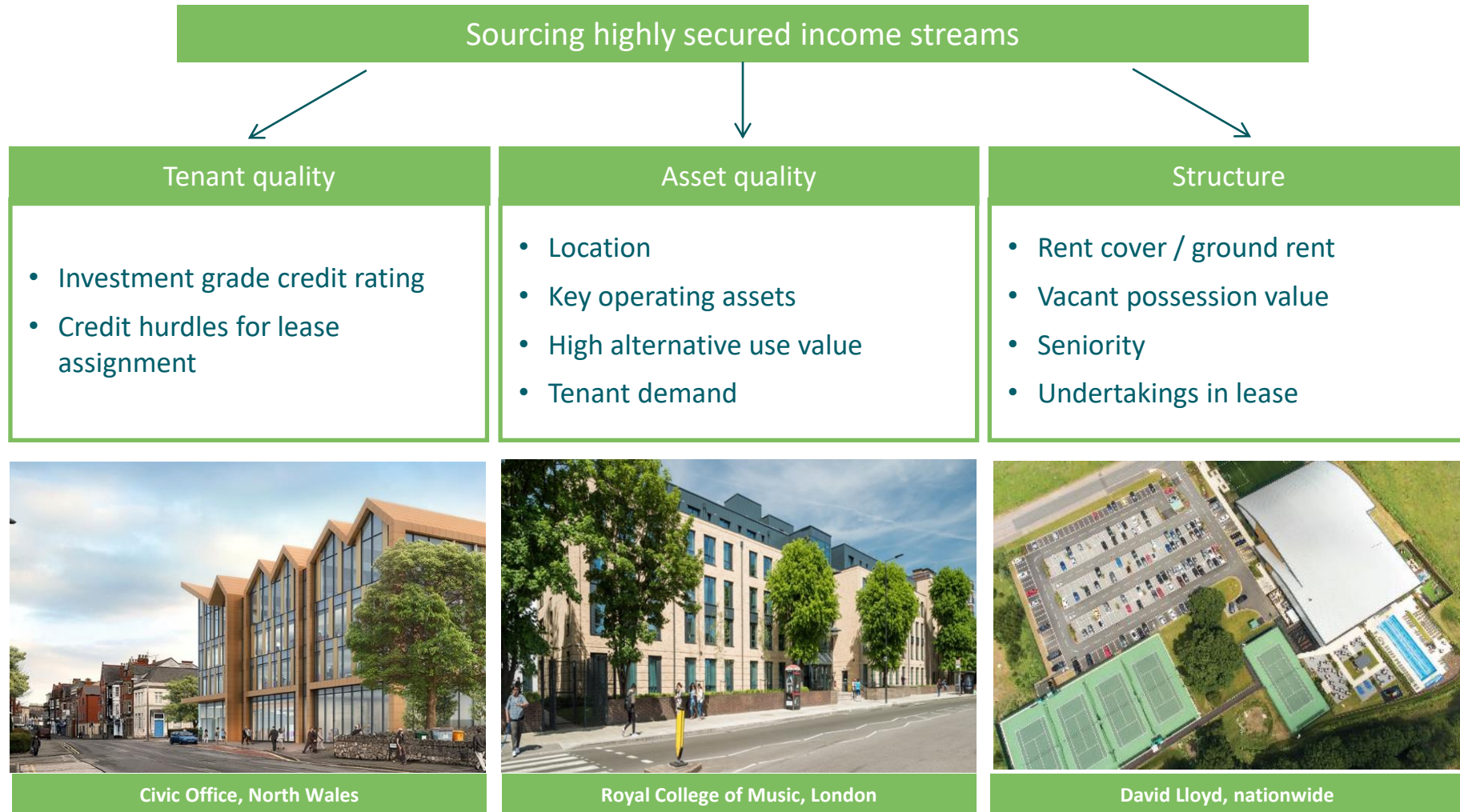
All property rental value growth vs. RPI (1986-2022)



- Defensive real estate investment:
 - Potential for long-term capital value growth retained
 - Value of lease reduces sensitivity to short-term property cycles

Value driven investment philosophy

Credit-driven investment approach



Renewable Energy Asset

Portfolio of Operational Solar PV Assets Operating Under the UK FiT Regime

Investment Rationale	
Opportunity	<ul style="list-style-type: none"> Portfolio of 33 operational solar parks in the UK, company is a leading global developer of solar power 32 Ground-mounted solar PV plants and one roof-mounted installation Operational and accredited under the feed-in-tariff (FiT) – a form of UK renewable subsidy
Long-term secure cashflows	<ul style="list-style-type: none"> 22 year RPI-linked amortising notes Project cashflow underpinned by stable FiT subsidy regime Senior notes are first ranking over assets of the issuer and operating companies Conservative covenant package with prepayment protection and dividend lock-ups based on DSCR
ESG Considerations	<ul style="list-style-type: none"> In 2022 the company as a whole generated 3TWh of renewable energy, avoiding over 1.6million metric tons of carbon emissions Supports global decarbonisation alongside affordable energy with solar the cheapest form of electricity as per the IEA All solar farms are constructed with a view to improving soil health, fostering biodiversity, and strengthening rural economies. Often there will be additional plantation and beekeeping on the solar farms M&G engaged with the company ahead of investment with positive results; we ensure that the panels used comply with relevant product quality assurance standards and reviewed labour practices to ensure they are sustainable



Key terms	
M&G Total Investment	£247m
M&G Rating	Senior: A- Senior Subordinated: BBB-
Pricing	Senior: UKTI+150bps Senior Subordinated: UKTI+250bps
Maturity	August 2037

M&G Secured Property Income Fund

Key updates

Past performance is not a guide to future performance. There is no guarantee the objective will be achieved.

- **Valuations** – 12 month total return -15.2% (net of fees) to reflect new yield environment, valuations now stabilising
 - Attractive forward-looking returns (7-9% p.a., net of fees), net distribution yield c. 4.8% p.a.
 - Positive illiquidity premium above BBB bonds
 - Attractive entry point (NAV -1.07%)
- **Asset performance** – average BBB-/BBB credit rating, strong underlying trading in operating assets
 - 100% occupancy and rent collection
- **Redemptions** – sales undertaken with aim of improving key metrics
 - Redemption queue currently c. £225m, with c. £170m of assets in advanced discussions
 - Settlements of £361m, £140m and £257m paid in May, August and September respectively
- **Investors** – increasing interest from a range of investors, with £90m of secondary trades in Q2/Q3
- **ESG** – 2nd place in GRESB peer group (out of 80) and a 4 star rating*
 - Priorities include Net Zero, green building certification, EPC improvement
- **Fund changes** – updated Information Memorandum took effect on 2 May 2023



Staycity / Premier Inn, Paddington, London

M&G Secured Lease Income Fund

Key updates

Portfolio

- BBB+ average credit rating, 100% occupancy and rent collection since inception
- **ESG** – Ranked 1st in its GRESB peer group for the 2nd year in a row with a score of 86 and 4 stars
- Many highly attractive assets which support the NHS, create jobs, improve economic activity and support levelling up

Value

- Falling capital values reflect gilt movements and maintain excellent relative value vs fixed income and long-dated private credit markets (7.4% IRR, ILG+291bps)
- Fund yield 4.5% as at September 2023

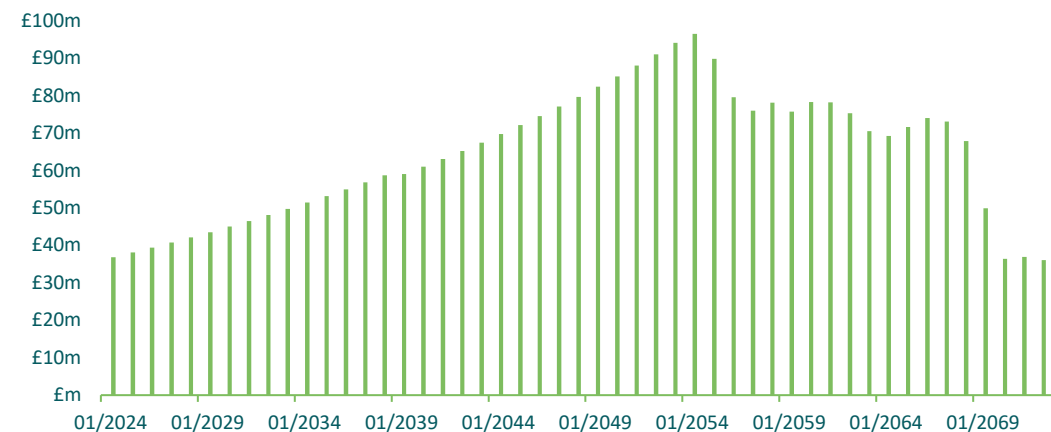
Fund Activity

- Large pipeline at attractive relative value, but limited by investor commitments
- Harborne Hospital reached practical completion in September

Liquidity

- No capital queue following a single large redemption earlier in the year
- SLIF's price swung to net redemption mode for the July Dealing Day (NAV +4.33% to NAV -1.25%) given the trend of outflows

Fund 50 Year Cashflow Forecast (BBB+/inflation-linked)



Civic Office, Colwyn Bay, North Wales



Sales activity

Sales completed total £863m* with a further c. £170m under offer

Asset	Date sold	Sold price	Sold NIY	Hold period IRR	Remaining lease term	Credit rating
Tesco, Llanelli	Sep-22	£66.8m	5.25%	8.3%	12 years	BBB
Priory portfolio	Dec-22	£233.0m*	6.56%	6.3%	22 years	B
Premier Inn, Red Lion Street	Dec-22	£34.6m	4.85%	5.8%	21 years	BBB-
Travelodge, Edinburgh	Feb-23	£11.2m	6.01%	5.6%	23 years	B-
Morrisons 4M Portfolio	Feb-23	£110.0m	6.73%	2.0%	17 years	B
Travelodge, Gatwick	Apr-23	£40.0m	7.05%	7.6%	26 years	B-
BCA x4	Apr-23	£13.0m	13.1%	11.2%	9 years	B-
Tesco Cardiff & Sainsbury's Wigan	Jul-23	£98.0m	6.9%/6.6%	4.7%/4.8%	13/14 years	BBB/BBB-
BCA Derby	Aug-23	£5.6m	19.7%	16.4%	9 years	B-
NatWest, 250 Bishopsgate	Aug-23	£251.0m	4.98%	4.5%	12 years	A-
Total		£863m				



Premier Inn, Red Lion Street, London



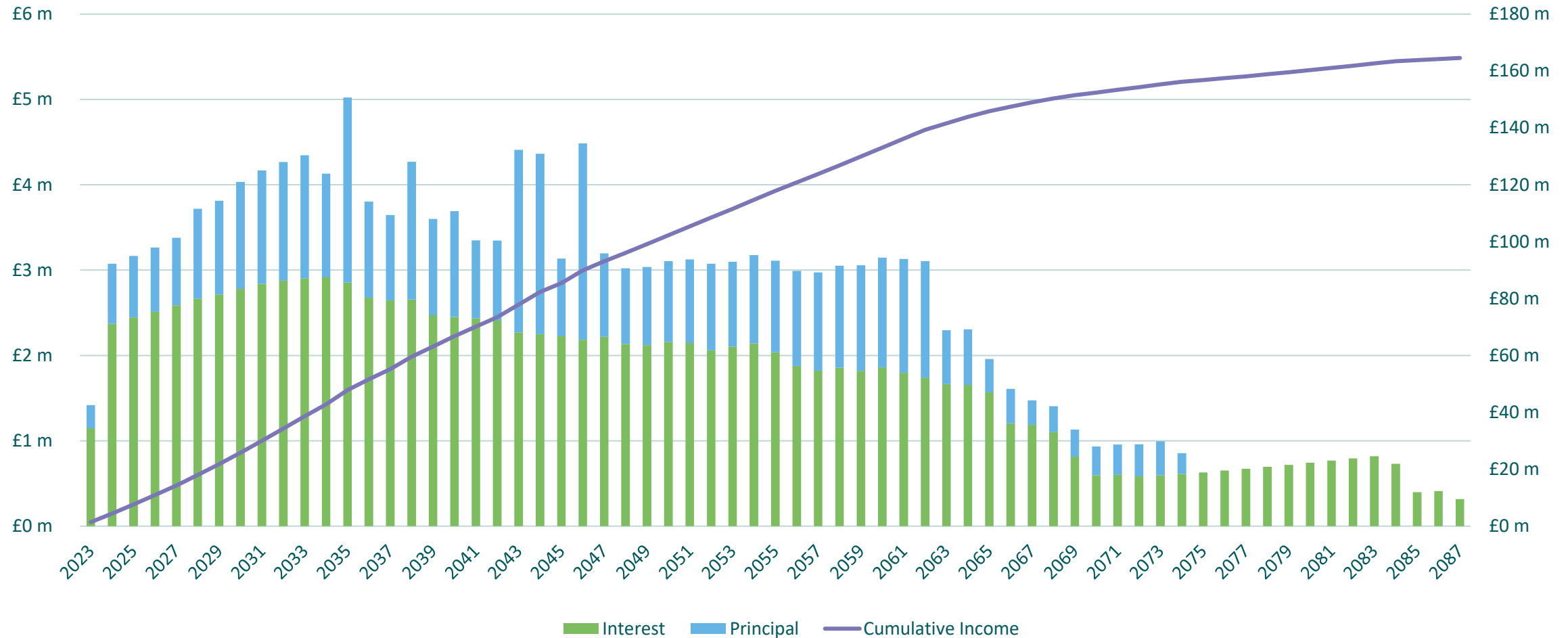
Travelodge, Edinburgh



Morrisons 4M portfolio

IOF 1 cashflow profile

Projected and cumulative net income pro rated for London Borough of Enfield's share





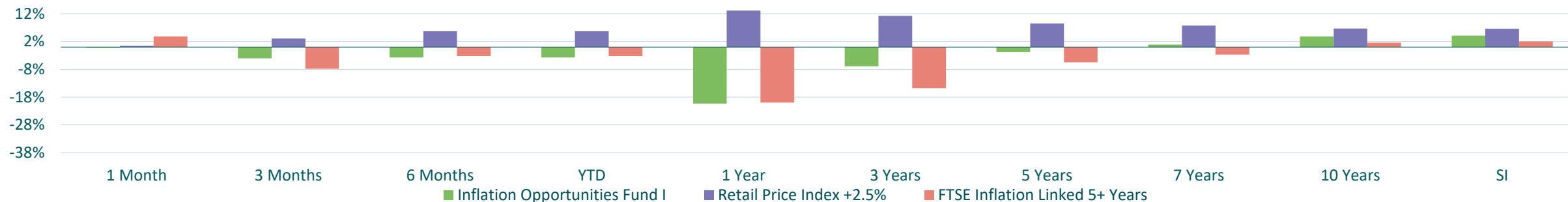
Performance & Drivers

M&G Inflation Opportunities Fund I

Fund performance

Past performance is not a guide to future performance

IOF I Total return (net of fees)



Fund performance impacted by mark to market volatility whilst assets are high IG generating stable income

Total return (% p.a.)		1 mnth	3 mnths	6 mnths	YTD	1 yr.	3 yrs.	5 yrs.	7 yrs.	10 yrs.	SI*
M&G Inflation Opportunities Fund		-0.31	-4.07	-3.72	-3.72	-20.35	-6.92	-1.82	0.94	3.81	4.14
Retail Price Index +2.5%		0.49	3.10	5.68	5.68	13.18	11.26	8.49	7.76	6.69	6.61
FTSE Inflation Linked 5+ Years		3.80	-7.78	-3.22	-3.22	-19.98	-14.79	-5.45	-2.70	1.55	2.00
Calendar year total return (%)	2023 YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
M&G Inflation Opportunities Fund	-3.72	-24.72	7.71	5.91	7.77	4.01	9.07	16.17	5.05	17.17	2.11

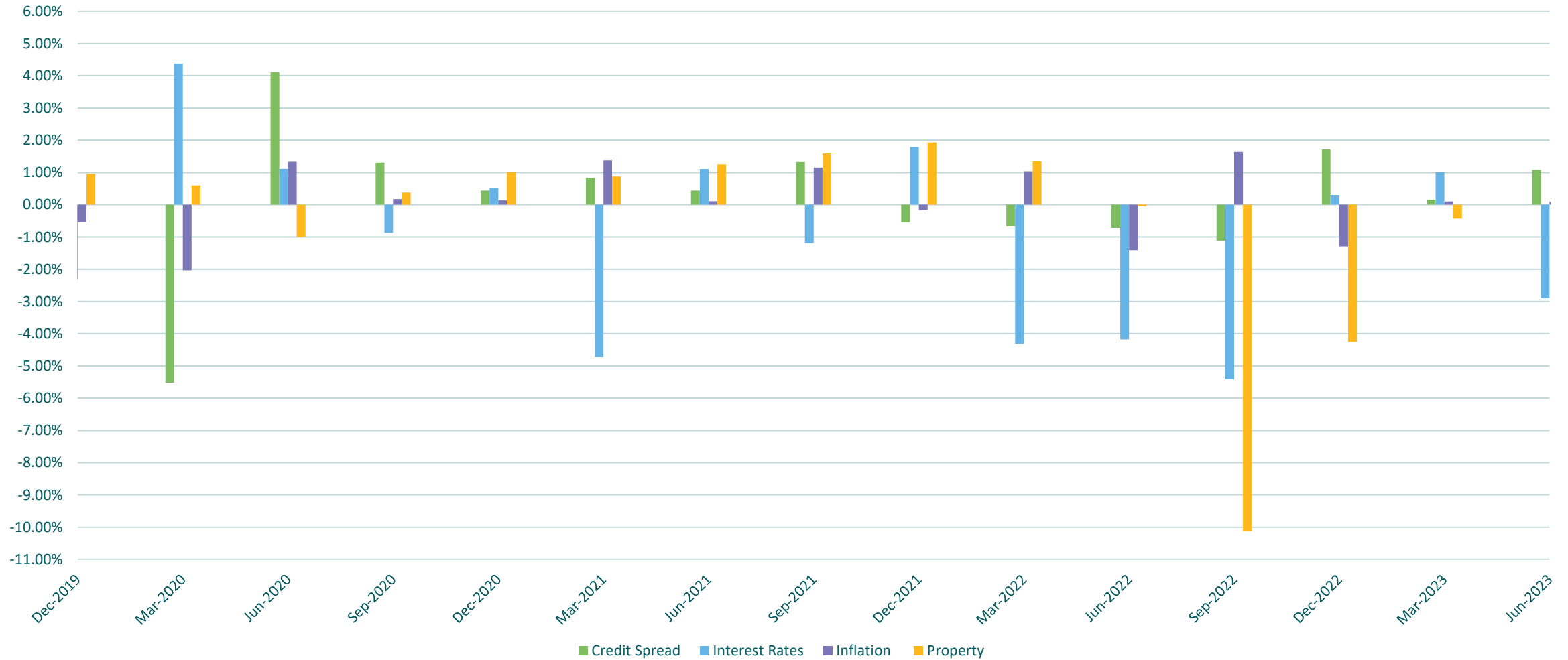
Client	Amount committed	Date Invested	Current Value	Total Reinvested
London Borough of Enfield	£55,138,810	01/05/2013	£62,814,026	£14,040,655

M&G Inflation Opportunities Fund I

Breaking down performance

Past performance is not a guide to future performance

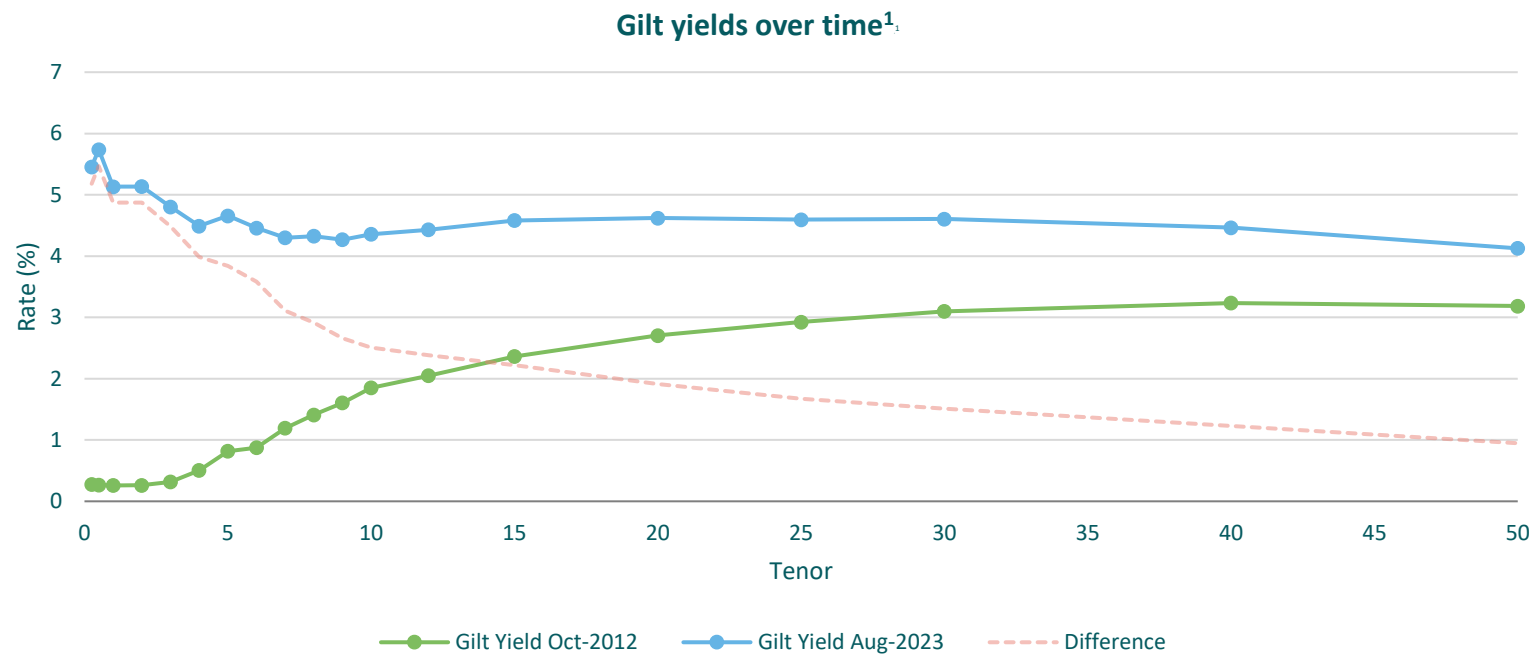
Quarterly Performance Attribution - IOF



Impact of Interest Rates

Interest rates are the main driver of fund performance

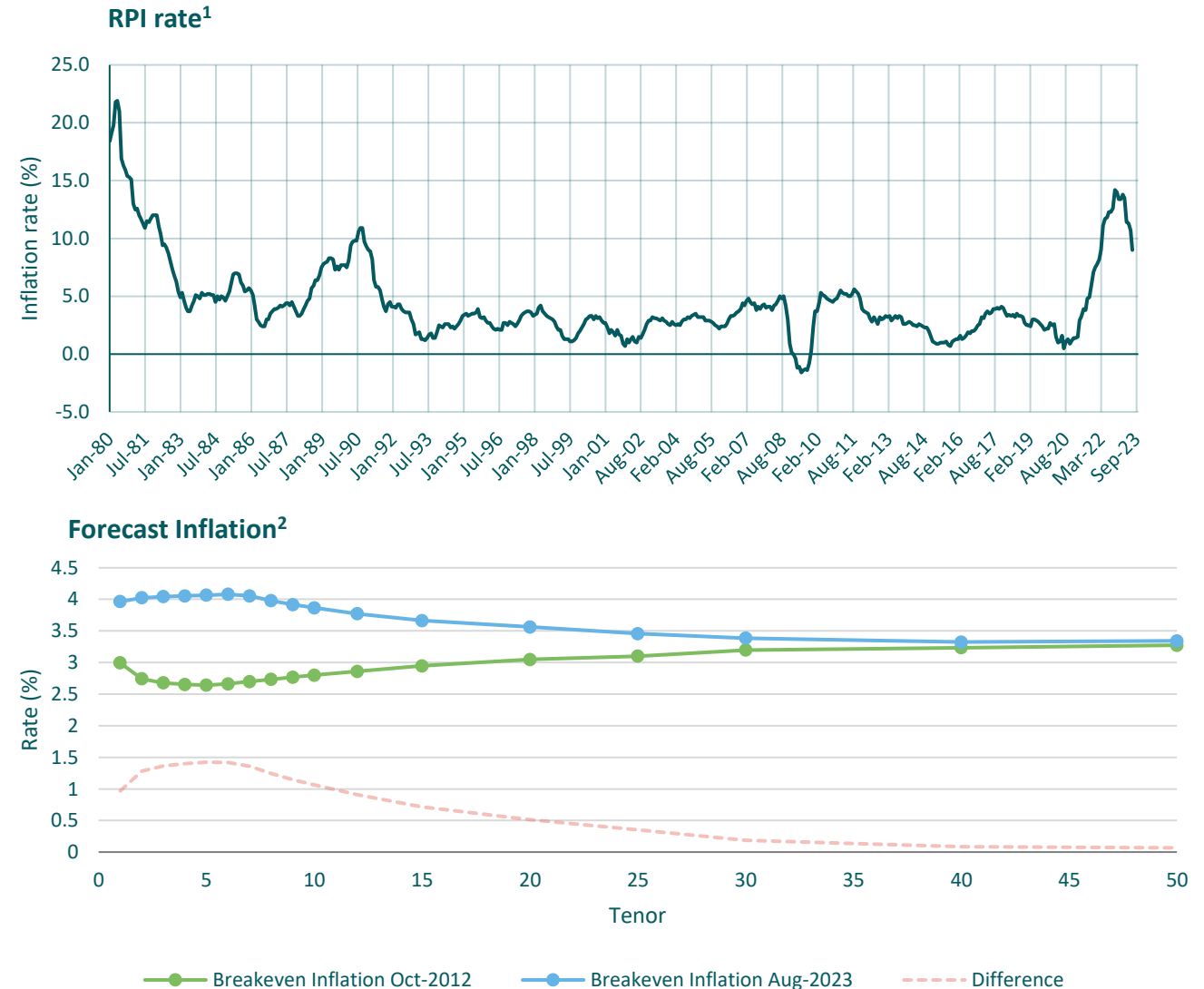
- Given long dated nature of the assets they carry high duration and therefore are very sensitive to changes in interest rates
- The inverse relationship between duration and price means that as interest rates rise the value of the fund falls
- Similarly the higher interest rate environment means that the value of pension liabilities have also fallen
- This decline in fund valuation does not reflect any deterioration in credit quality of the assets nor the income generated by the fund



Impact of Inflation

Impact not as significant as one may expect

- In isolation the fund benefits from rising inflation due to the assets' inflation-linked coupons and principal
- The value of these coupon and principal (cashflows) is determined by the markets' expectation of inflation
- The long-dated nature of the assets means longer term expectations of inflation have a bigger impact
- Therefore, although inflation has been higher (and more volatile) in the short term, it has been less of a driver of fund return than long term inflation expectations which has been more stable



Impact of Property on returns – Secured Property Income Fund

An attractive combination of income and capital returns

Comparison of anticipated returns to 2072*



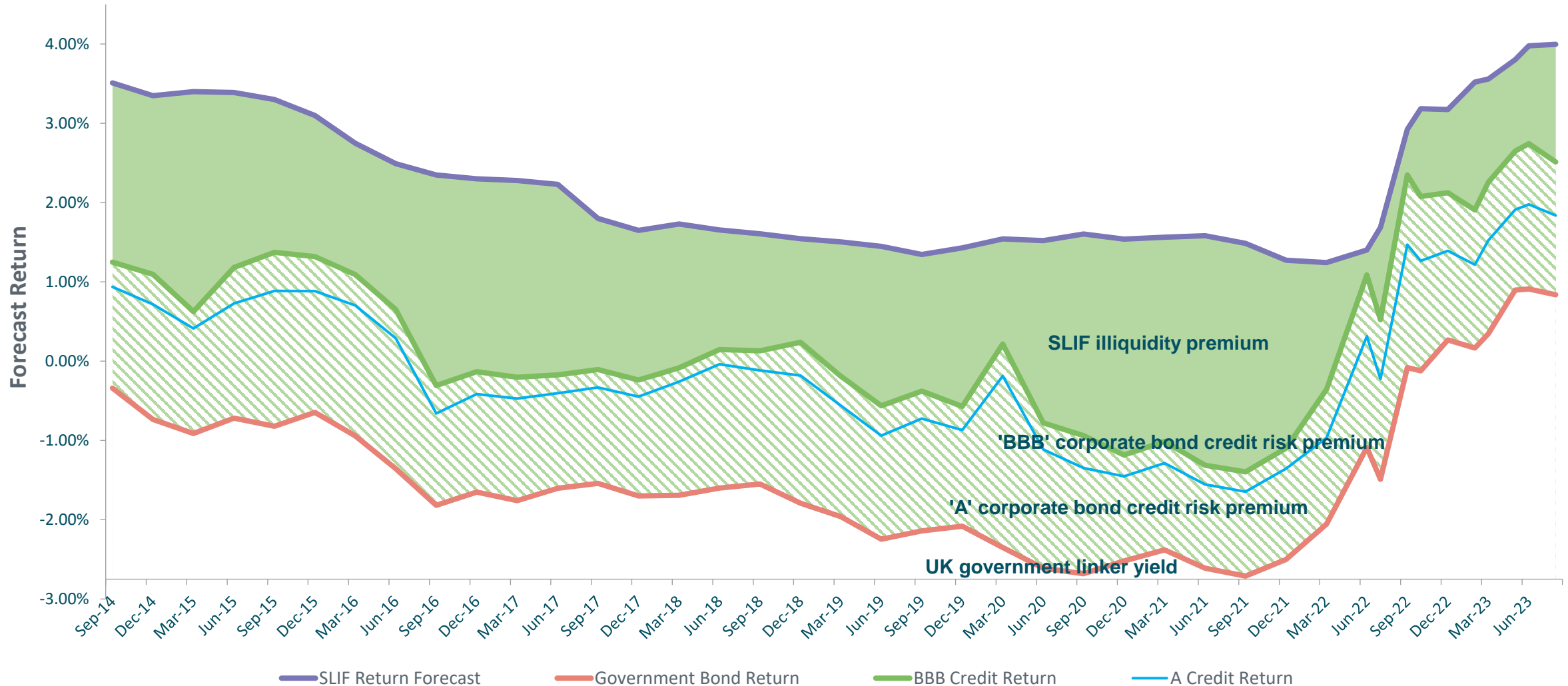
The value of investments will fluctuate, which will cause prices to fall as well as rise and investors may not get back the original amount they invested. There is no guarantee the objective will be achieved.

Source: M&G, 31 August 2023. RPI assumption = 3.35%. *Forecasts are not a reliable indicator of future performance. Modelled for 50 years (accounting for ground leases). Returns are calculated gross of fees. Historically the funds TER has been c. 60 bps, commission, fees and other charges are subject to change.

Secured Lease Income Fund: Excellent relative value

Attractive illiquidity premium for BBB+ versus traditional private credit assets

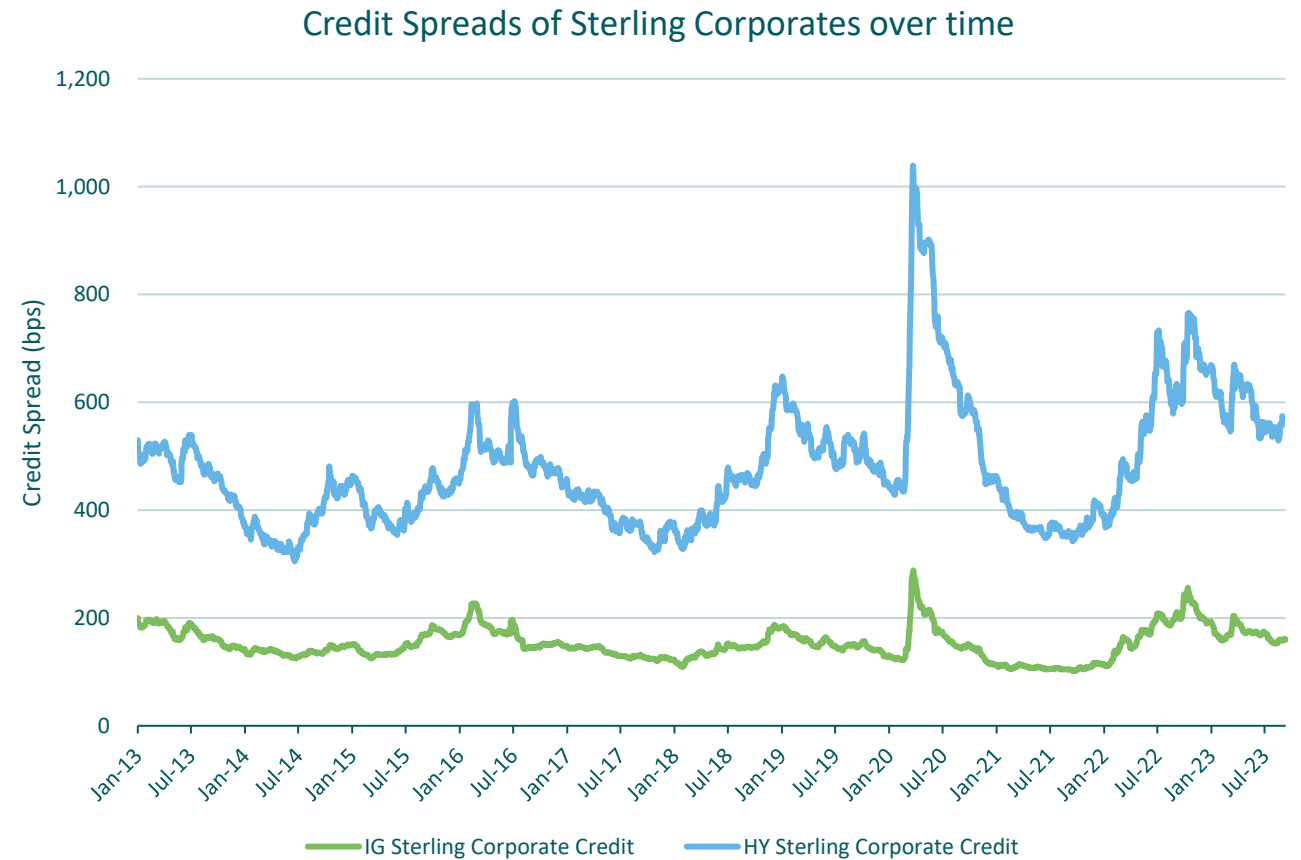
291bps to gilts, 191bps to single-A, 124bps to BBB



Impact of Credit

Smallest driver

- The assets in the fund are high IG with low likelihood of default, so if held to maturity would not crystallise any of the mark to market volatility caused by credit spread movements
- The valuation of the fund's credit assets is affected by the market's perception of credit risk
- Widening credit spreads (higher perceived credit riskiness) leads to a fall in mark to market asset value
- Asset sensitivity to these movements in credit spread is called spread duration
- Historically, IG credit spreads have been resilient through the economic cycle

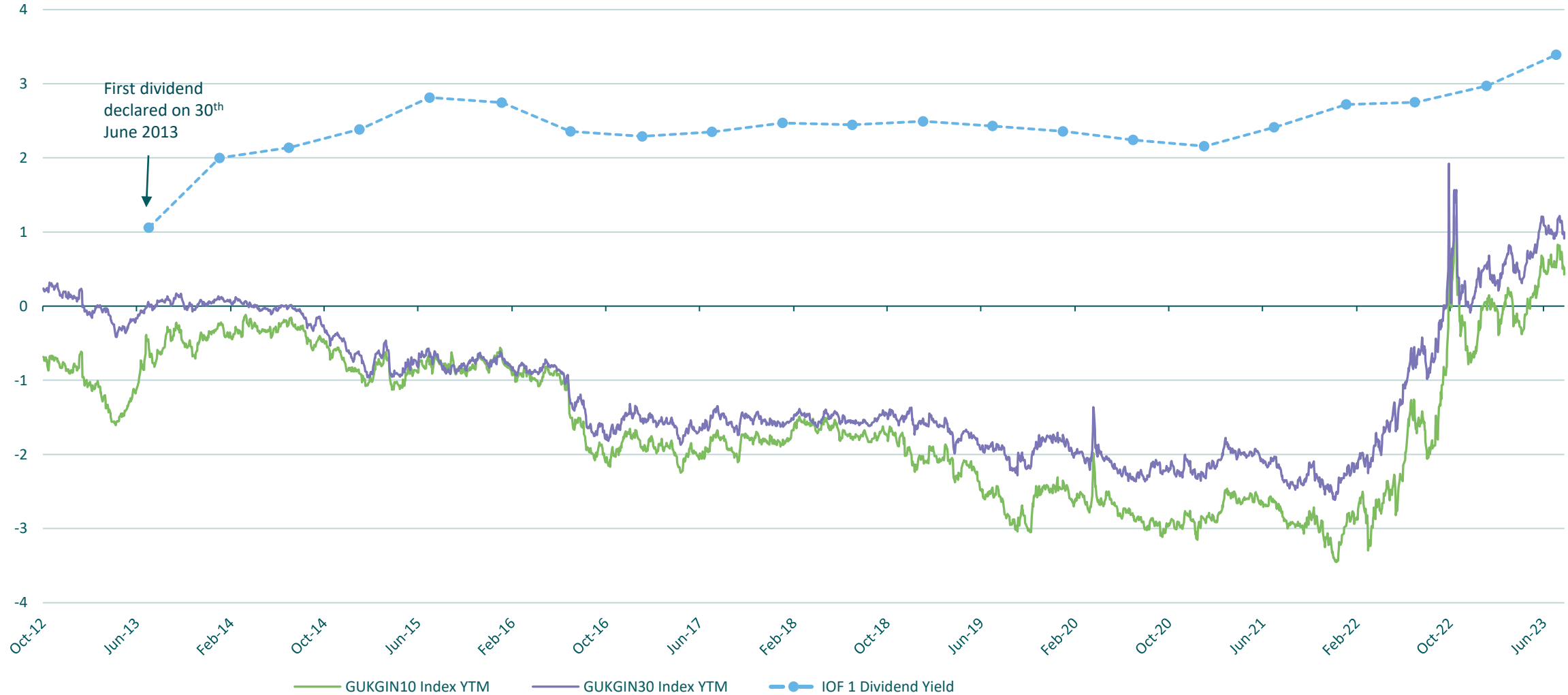


M&G Inflation Opportunities Fund I

Generating income throughout the economic cycle

Past performance is not a guide to future performance

Dividend yield vs. gilt yields



 **M&G**
Investments

Appendix

Investment Pipeline

Inflation Opportunities

Deal	Sector	Deal Size (£m)	Income Type	Proposed M&G Rating	Indicative Spread Levels (bps)	Term (yrs.)	Description
UK Student Accommodation	Student Accommodation	200	Fixed / Inflation	BBB/A	[TBC]	35-45	Funding for construction of student accommodation for a UK university.
NI Gas Distributor	Gas Distribution	455	Fixed / Inflation	BBB	220 - 285	3 - 15	Refinancing of existing indebtedness
Welsh Affordable Housing Developer	Real Estate Dev & Mgt	13.5	Inflation	A	Low 200's	47	CPI-linked debt to fund development of affordable housing in Wales.
Utility deal 1	Non-Electric Utilities	138	Inflation	BBB	185-200	6	Secondary market CPI-linked debt issued by UK water utility co with public bonds.
Utility deal 2	Electric-Distr/trans	131	Inflation	BBB	185-200	7	Secondary market RPI-linked debt issued by UK electric utility co with public bonds.

Long Dated Private Asset Opportunities

Current Spreads

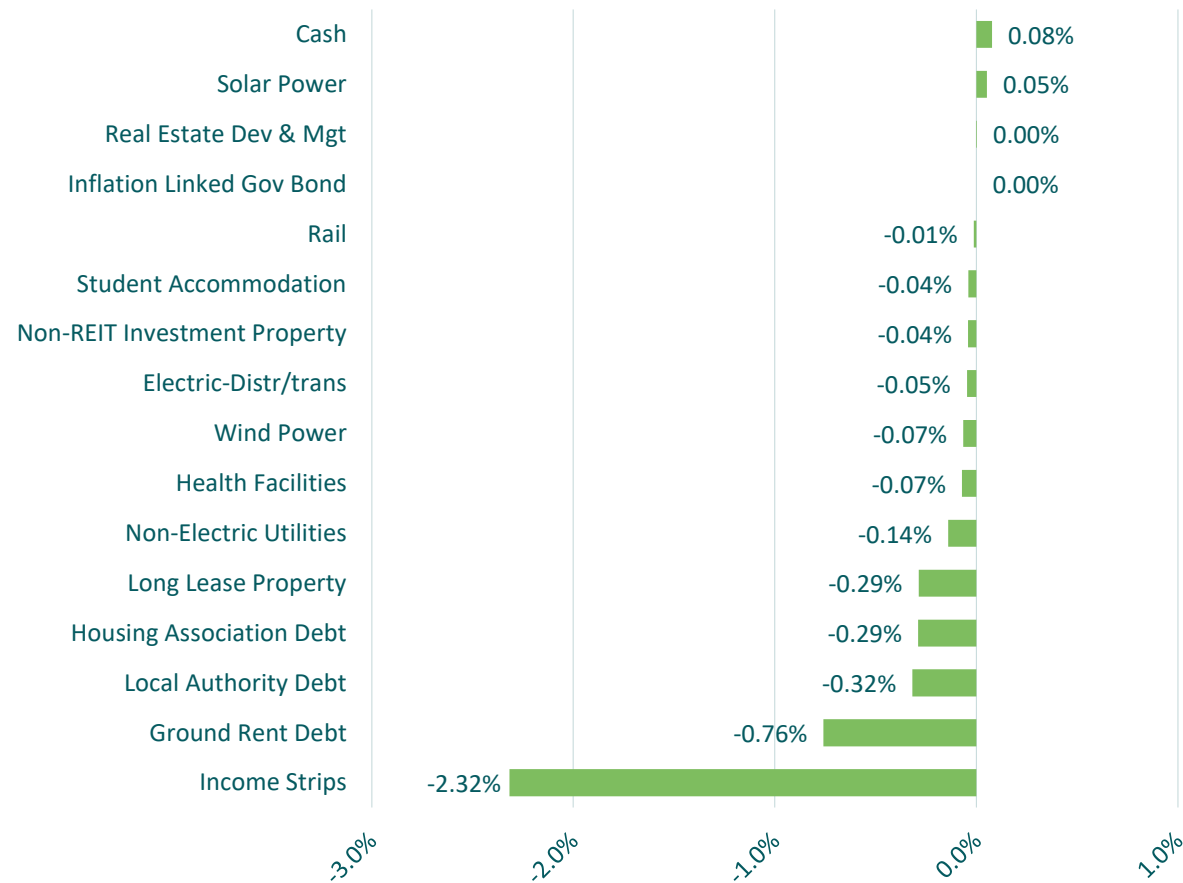
Fund name	Return above Gilts	Inflation Linked or Fixed (IL/F)	Credit Quality
Long lease property*	4.00% - 4.50%	IL	BBB-
Income strips*	3.00% - 3.50%	IL	BBB+
Residential ground rent debt	1.85%	IL/F	AA-
Local Authority debt	1.20% - 1.50%	IL/F	AA-/A
Social housing debt	1.20% - 1.40%	F	A /BBB+
Infrastructure debt	1.10% - 2.00%	IL/F	A+/BBB-
Private Placements	1.10% – 1.50%	F	AA/BBB-
European Infrastructure Debt	0.75%-1.75%	IL/F	A+/BBB-
University debt	0.70% - 1.00%	F	AA/A
Real Estate Debt	1.75% - 5.00%	F	A-/BBB-

M&G Inflation Opportunities Fund I

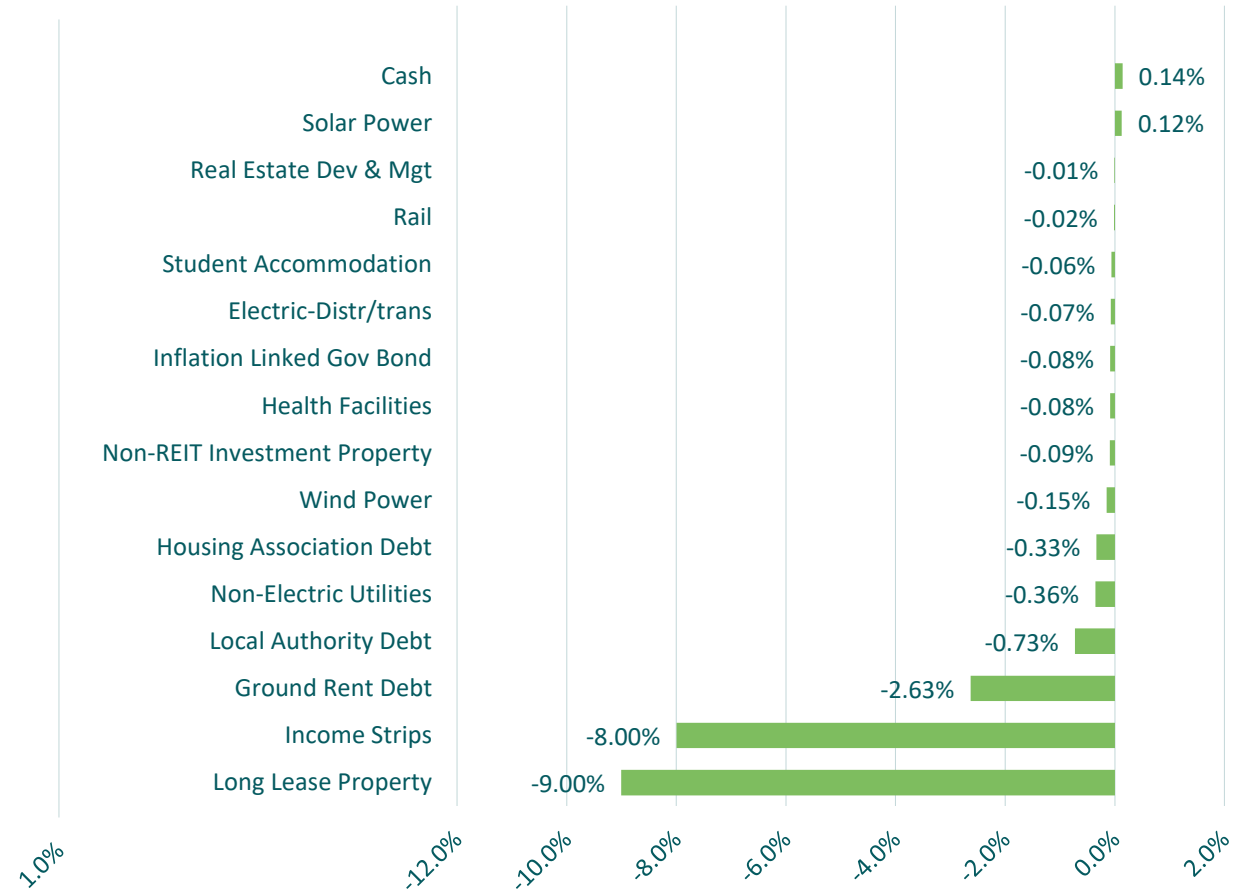
Highest duration sectors have the biggest impact on Fund performance

Past performance is not a guide to future performance

Q2 2023 NAV of £273m



12 months - Q2 2023



Private Credit Investment Resources

Catherine Ross
Head of Private Credit (23)

Direct Lending		Leveraged Finance Analysis			Portfolio Management			Client, Solutions & Specialists	
<p>Rebecca O'Dwyer Director (10)</p> <p>Sala Fitt Director (29)</p> <p>Luke Staddon Director (15)</p> <p>Tom Rankin Director (11)</p> <p>Sebastien Zuchmanski Manager (7)</p>	<p>Charan Channe Assoc. Director (14)</p> <p>Daniel Hwadaya Manager (5)</p> <p>Robert Scheer Director (17)</p> <p>Hao Wang Assoc. Director (7)</p> <p>Sara Almosawi Manager (2)</p>	<p>Nicola Poulloura Director (17)</p> <p>Adam Koller Director (22)</p> <p>Ishmeet Chawla Director (12)</p> <p>David Sheppard-Burgess Director (18)</p> <p>Salik Ishtiaq Associate Director (13)</p>	<p>Vikesh Patel Associate Director (10)</p> <p>Jamie Clarke Associate Director (6)</p> <p>Clarissa Quek Associate Director (6)</p> <p>Oliver Williamson Manager (4)</p> <p>Matteo Ghiringhelli Manager (5)</p>	<p>Safa Amirbayat Manager (4)</p> <p>Katrina Murray Manager (3)</p> <p>Jasmine Hay Manager (2)</p>	<p>Corporate</p> <p>Fiona Hagdrup Fund Manager (33)</p> <p>Michael George Fund Manager (22)</p> <p>Thomas Lane Fund Manager (11)</p> <p>James Winser Assistant FM (CLO) (6)</p>	<p>Short Dated Multi Asset</p> <p>Richard Sherry Fund Manager (26)</p> <p>Angela Yang Fund Manager (10)</p> <p>James Newbery Fund Manager (9)</p> <p>Aditi Rao Assistant FM (11)</p> <p>Alistair Corrie Assistant FM (15)</p> <p>Prateek Adhikari FMA (7)</p>	<p>Long Dated Multi Asset</p> <p>Gary Parker Fund Manager (28)</p> <p>Vanessa Brathwaite Fund Manager (21)</p> <p>Robert Ughaonu Fund Manager (13)</p> <p>Adam Redpath FMA (8)</p> <p>Kelvin Bademosi FMA (6)</p>	<p>Catherine Lloyd (17) Head of Client Directors</p> <p>Sarah Murtagh (19) Client Director</p> <p>Hannah Updahyaya (10) Client Director</p> <p>James Frankland (10) Client Director</p> <p>Pooja Shah (21) Client Director</p> <p>Robert Field (5) Client Relationship Manager</p> <p>Lynn Schiemann (22) Product Specialist</p>	<p>Jo Waldron (22) Head of Solutions & Specialists</p> <p>Karen Lam (21) Head of Investment Specialists</p> <p>Aramide Ogunlana (10) Investment Specialist</p> <p>Stuart Connew (14) Investment Specialist</p> <p>Maisie Philipps (4) Junior Investment Specialist</p>
<p>Origination, Strategy & Counterparties</p> <p>Scarlett de Posson Director (18)</p> <p>Joakim Sarnstedt Director (18)</p>					<p>Loan Trading</p> <p>Cameron Low Secondary Trader (19)</p>	<p>CLO Structuring</p> <p>Christine Ko Director (24)</p>			

Glossary of asset classes

Asset Class	Description
Long lease property	Investment providing inflation linked cash flows from a diversified portfolio of property leases with potential capital growth from underlying properties.
Income strips	Inflation linked cash flows from leases secured against properties which are sold back to client at end of lease (no residual property risk).
Residential ground rent debt	Investment providing very long term cash flows from long term leases (30-50yrs) secured against freehold assets. Often inflation linked but can also be fixed rate.
Local Authority debt	Debt provided to local authorities typically to fund social/affordable housing or to finance redevelopment of local amenities.
Social housing debt	Long dated senior debt secured against a pool of residential homes, where rent is underpinned by welfare benefits.
Infrastructure debt	Debt raised for project finance and corporate credit across the entire spectrum of the infrastructure universe – eg. Energy, Renewables, transportation, Utilities etc.
Private Placements	Corporate debt provided to a variety of businesses and sectors. Often on a bilateral basis or under documentation negotiated on a bespoke basis. Provides a premium to public debt given the long term and illiquid nature of the debt.
University debt	Secured debt provided to universities, often on a bilateral basis.
Real Estate Debt	Debt secured against Commercial Property

Proposed 2023 ESG strategy

Key to delivering the Fund's ESG strategy is proactive occupier engagement and, where feasible, support and alignment with their environmental, social and governance initiatives, programmes and aspirations.

Through its aspirational ESG strategy the fund aims to deliver ^A:

Environmental Excellence

1. Aim for all operational carbon to be Paris-aligned by 2030, all carbon to be net zero by 2050^B
2. Develop a net zero operational carbon assessment strategy and target tracking by June 2025
3. Develop an improvement plan for all assets with EPC 'D' or below by June 2025 and work with occupiers ^C to deliver energy efficiencies
4. Ensure at least 50% of AUM to be certified at all times ^D and best practice to be shared with occupiers
5. Ensure portfolio resilience through climate-related risk assessment and management

Social benefit

1. Continue to advance occupier engagement strategy, implement action plans to improve satisfaction following feedback from occupiers
2. Contribute to occupier and community health & wellbeing through asset initiatives, where feasible
3. Achieve exemplar Safety and Security achieved by the consistent application of our "Global Minimum Requirements" (GMR's)

Good Governance

1. Aim for all new leases to include green clauses to drive data sharing & cooperation
2. Increase collection of tenant utility data and reduce the proportion of estimated data
3. Aim for all assets to have a sustainability asset plan
4. Apply occupier exclusions (Controversial weapons, UN Global Norms, Thermal Coal)
5. Target at least GRESB 4 star rating

A - Key sustainability objectives are shown – a wider set of targets are in place to support the delivery of the goals. Where year dates are listed the target deadline is considered to be the year end unless otherwise stated.

B - Operational emissions refers to Scope 1,2 and 3 emissions (energy used by tenants) associated with standing investment portfolio. Paris-aligned refers to reducing GHG emissions such that global warming is limited to 1.5°C by 2050; the 2030 target aims for net zero pathway alignment. 2050 target covers all Scope 1, 2 and material Scope 3 emissions (including embodied carbon), method for tracking to be finalised over the next 12 months and aligned to the Net Zero Asset Managers Commitment.

C - Acknowledging control remain with tenants under Full Repairing & Insuring (FRI) lease terms.

D - Measurement includes assets where certification is planned and underway. When certifying we apply a 'sampling strategy' aimed at identifying ESG interventions applicable across similar buildings.

Environmental, Social and Governance

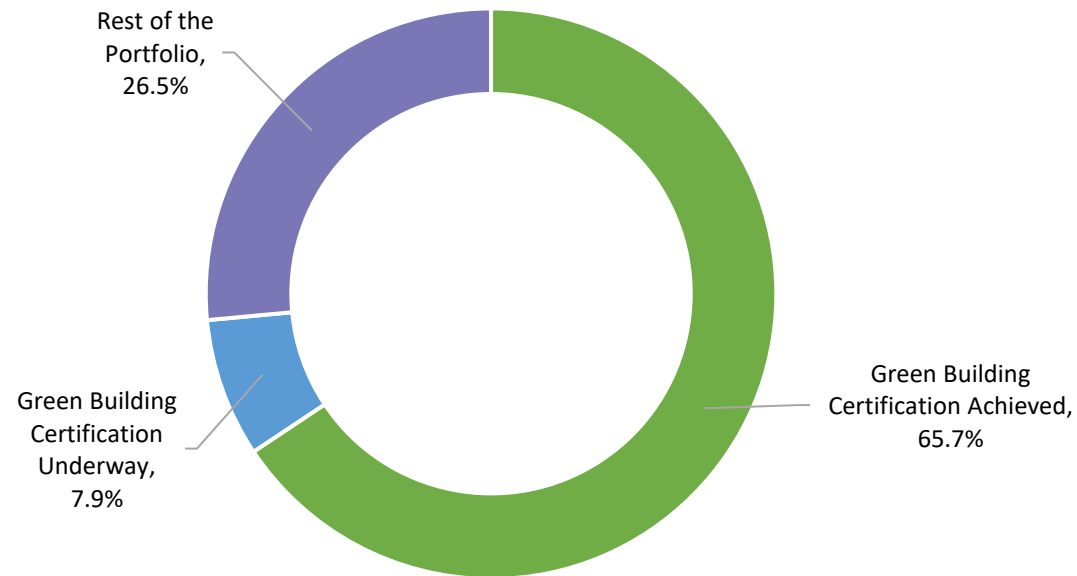
SPIF overview

Global Real Estate Sustainability Benchmark (GRESB)	<p>2022 result – SPIF maintained 2nd position (out of 80 in its peer group), placing behind another long lease fund managed by M&G</p> <p>Focus on maintaining/improving tenant data capture and rolling out green building certification</p> <p>2023 data submitted, GRESB 2023 results available in October</p>
Energy Performance Certificates (EPCs)	<p>Minimum Energy Efficiency Standards ('MEES') – EPC threshold of 'E' from 1 April 2023</p> <p>Working closely with tenants to identify potential improvements to upgrade assets (BCA Paddock Wood is the only remaining non-MEES complaint asset)</p>
Green Building Certification	<p>Targeting green building certification for 75% of assets by end 2023 – currently 66% of the Fund (a further 8% is pending certification)</p> <p>Asset level optimisation reports will analyse the cost/benefits from potential improvements, with a focus on carbon emissions</p>
Net Zero Carbon	<p>Developing a pathway to achieve net zero carbon emissions by 2050 – supplementing top down model with bottom up analysis from optimisation reports</p> <p>Supporting tenants in making changes to assets which reduce carbon emissions</p>
Physical climate risk	<p>Risk analysis covers river flood, surface water flood, coastal flood, windstorm, wildfire, freeze-thaw, heat-stress and soil movement</p> <p>Analysis by insurance/ risk specialist, Marsh, and climate risk experts XDI</p>
Social impact	<p>We continue to support and facilitate tenant initiatives via M&G's Community Funding allocations. Three initiatives funded to date and several further applications underway.</p>
SFDR	<p>SPIF is an Article 8 Fund and has committed to a minimum threshold of 10% of NAV in sustainable assets (defined as minimum EPC 'B' and minimum BREEAM 'Very Good').</p>

Green Building Certification

Targeting 75% of the Fund by value by end 2023

Green Building Certification by Fund Value



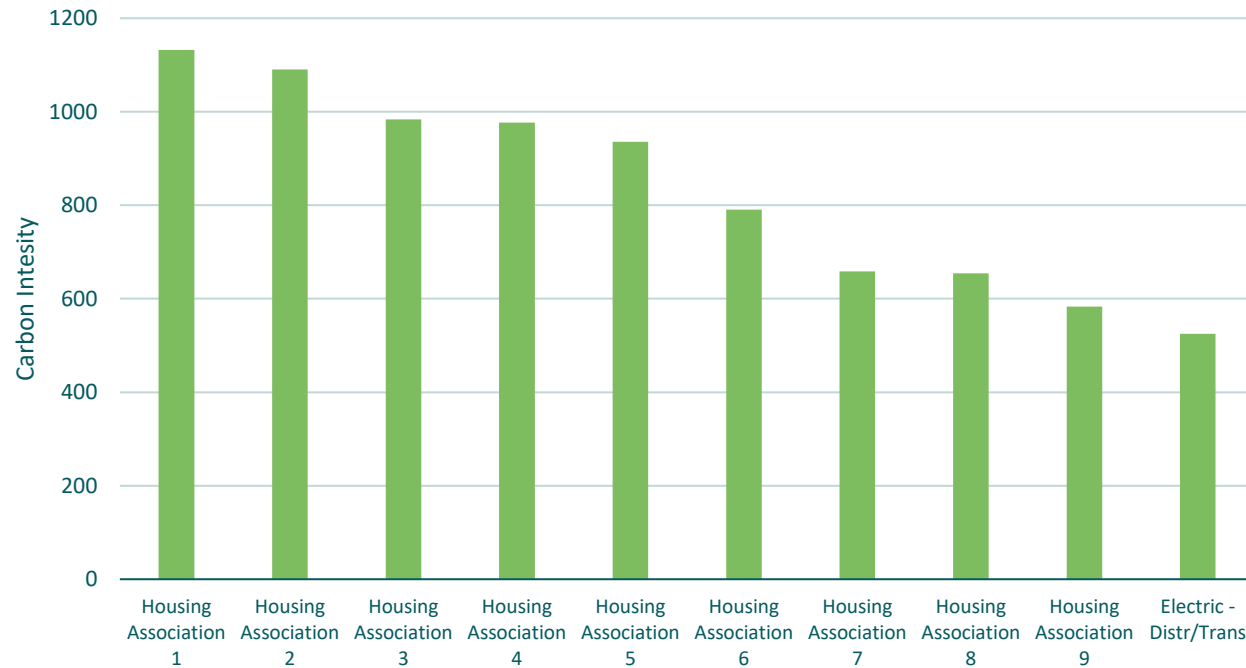
- 65.7% of the Fund has green building certification, with a further 7.9% of the Fund pending certification
- The Fund is currently targeting green building certification for 75% of assets by value by the end of 2023 (target in the process of being updated due to sales activity and cost vs. information optimisation)
- Green building certification contributes to the GRESB submission and provides a basis for tenant engagement
- Key output: 'Optimisation Reports' produced for each asset and shared with tenant to initiate asset improvement discussions

M&G Inflation Opportunities Fund

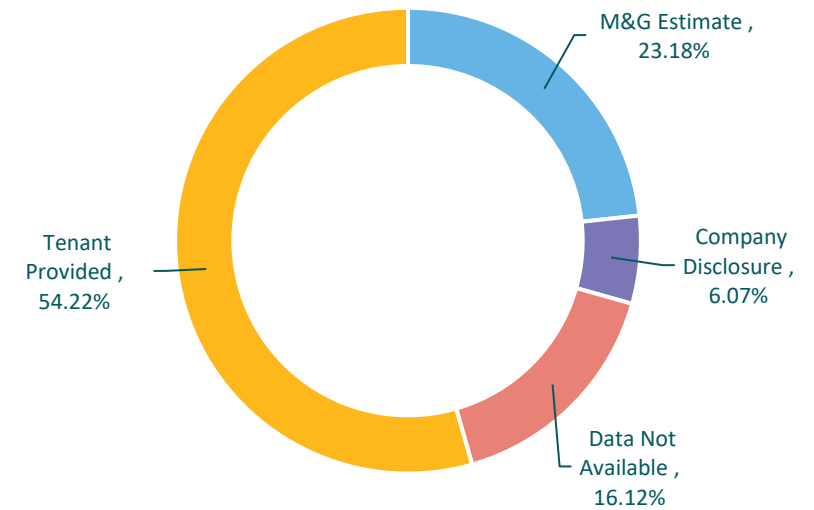
Available ESG Data/ TCFD Metrics

	Total	Coverage %
IOF Weighted Average M&G ESG Score ¹	59.46	90.40%
IOF Weighted Average Climate Score ¹	55.53	90.40%
IOF Weighted Average Carbon Intensity (WACI)	27.67	83.90%

IOF Top emitters by intensity



IOF Data Quality

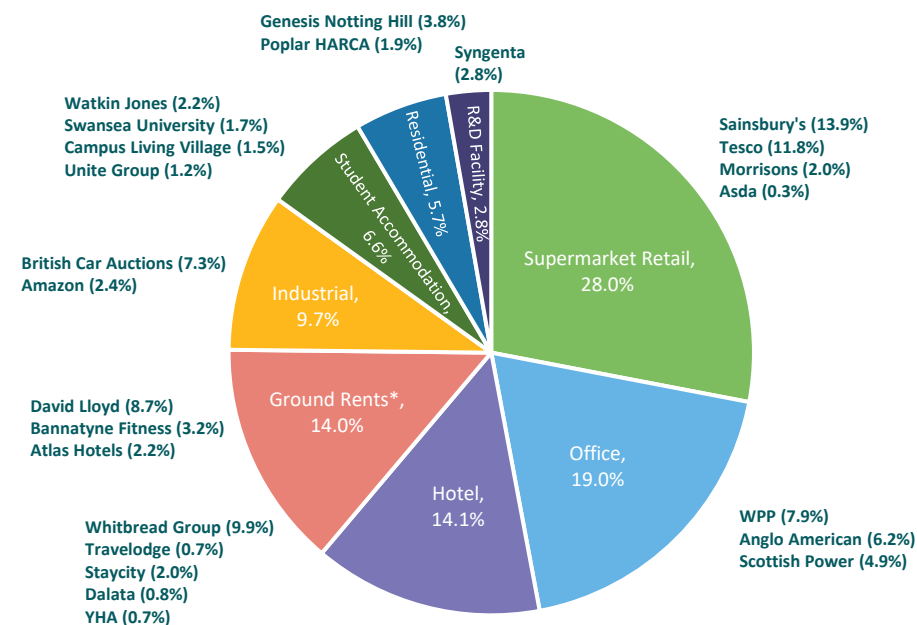


Portfolio metrics and positioning

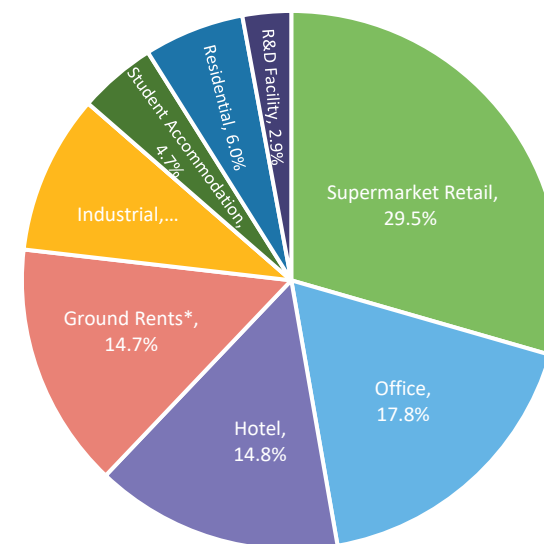
Current portfolio vs. expected portfolio excluding sales under offer

	Current portfolio	Expected portfolio
Fund NAV	£3.5 billion	£3.2 billion
Assets / Holdings	179 / 40	173 / 37
Tenants	24	23
Rent collection	100%	100%
Weighted average lease expiry (WALE)	29	30
% FRI leases	100%	100%
Inflation-linkage (average cap c. 4.8%**)	91%	93%
Annual rent reviews	70%	71%
Average credit rating	BBB-	BBB/BBB-
Vacant possession value	102%	101%
Net distribution yield	4.8%	c. 4.5-5.0%

Rental income by property sector (current portfolio)



Rental income by property sector (expected portfolio including sales under offer)



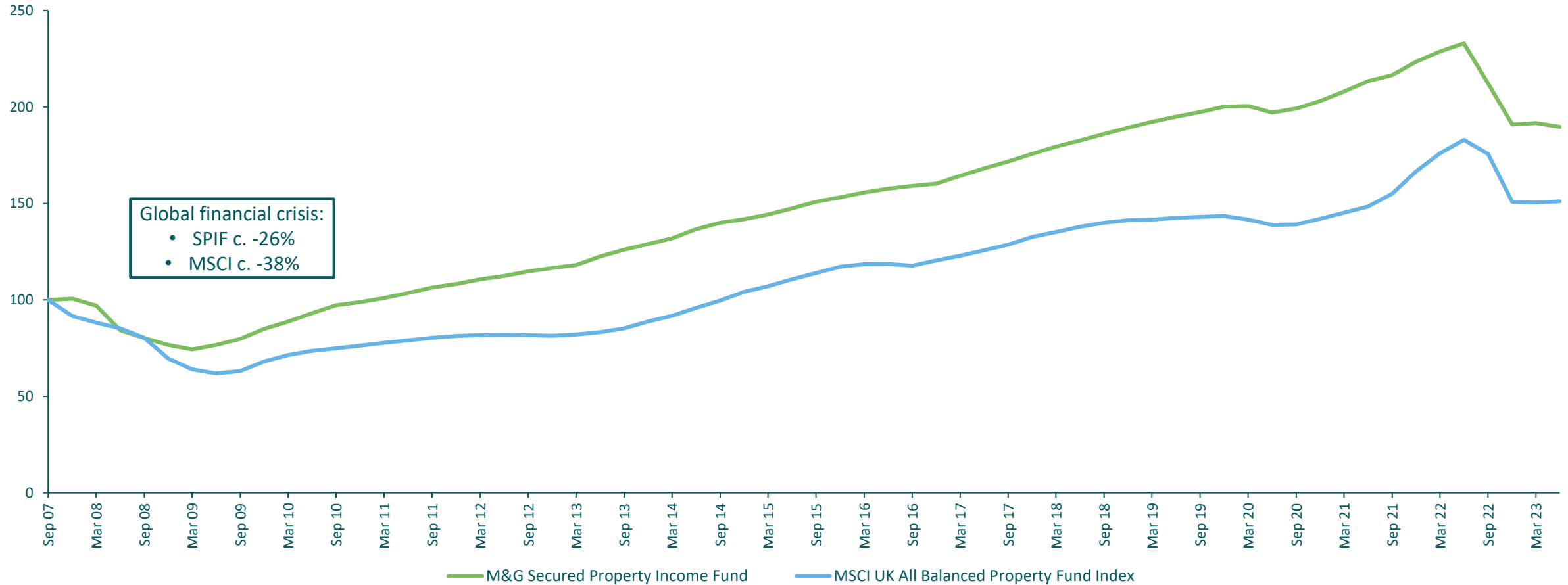
Source: M&G, 31 August 2023 valuations. *2 of 47 assets are market rented, c. 1% by income and c. 1% by value.. ** Excluding uncapped leases.

Long term outperformance

Attractive risk-adjusted returns compared to traditional real estate

Past performance is not a guide to future performance.

M&G SPIF total returns (net of fees) vs. broader property market total returns (net of fees)

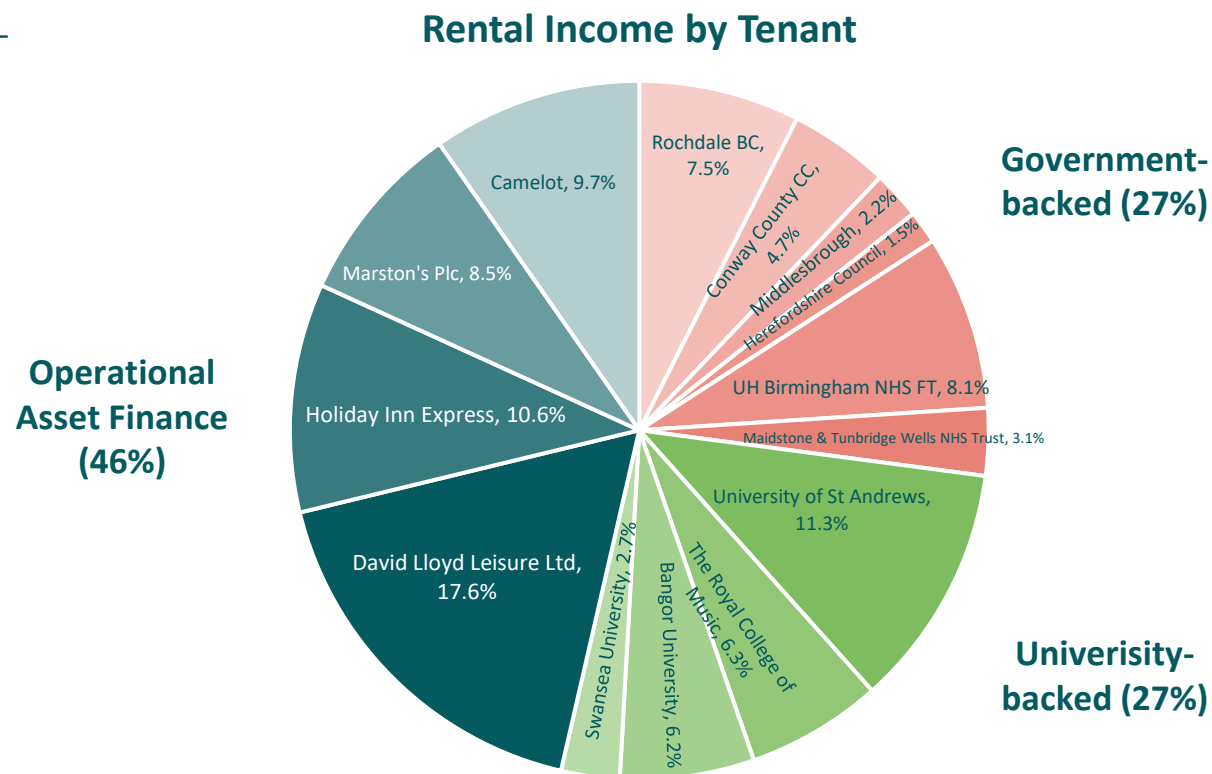


SPIF returns are calculated net of fees.

Diversified portfolio

Long, contracted cash flows with strong tenant backing

- Access to town centre regeneration, social and infrastructure and long-term, sustainable operating businesses
- Weighted average credit rating of BBB+
 - 92% of income BBB or above
- NAV £772m
- 44 years average lease term
- All leases are inflation-linked (90% RPI, 10% CPI+0.5%)
- All assets underwritten assuming £0 residual value
- Sizeable pipeline at attractive value



Rating	% of income	LPI	% of income
A+	22%	RPI, 0%-6%	3%
A	16%	RPI, 0%-5%	67%
A-	6%	RPI, 1%-4%	8%
BBB+	11%	RPI, 2%-5%	7%
BBB	36%	RPI, 2%-4%	5%
BB-	8%	CPI+0.5%, 1%-4%	10%

M&G Inflation Opportunities Fund 1

Assumptions regarding cash flow projections

- The data provides an estimate of the yearly cashflows generated from underlying assets in the fund grouped on an annual basis at the last fund valuation point (unless otherwise stated).
- These are based on asset terms, conditions and characteristics and assume contracted payment of interest and principal.
- These are nominal cashflows: the inflation assumption is derived from UK inflation zero coupon swap rates.

Look-through to underlying funds

- The fund has a holding in the M&G Secured Property Income Fund (“SPIF”) and the M&G Secured Lease Income Fund (“SLIF”)
- The data incorporates a look-through to the yearly cashflows generated by the underlying assets in SPIF and SLIF, and an anticipated redemption of units.
- These cashflows are based on the asset terms, conditions and characteristics and assume contracted receipt of rental payments out to c.50 years.
- These are nominal cashflows: the inflation assumption is derived from UK inflation zero coupon swap rates.
- Projected capital expenditure on development assets in SPIF is excluded.
- A key point to note is that these underlying assets do not have the same interest rate or inflation sensitivity as fixed income cashflows: asset valuations and the fund valuation may not behave as fixed income instruments of equivalent interest, credit and inflation duration. However, the risk analytics for the fund are calculated based on these underlying SPI/SLIF cashflows having interest, credit and inflation duration characteristics.

Risks associated with the funds

M&G Inflation Opportunities Funds

- **Credit risk:** The Fund may be exposed to the possibility that a debtor/tenant will not meet their repayment/lease obligations.
- **Liquidity risk (open-ended):** Where market conditions make it hard to sell the Fund's investments at a fair price to meet redemptions, we may suspend dealing in the Fund.
- **Interest rate risk:** Changes in interest rates may adversely affect the market value of some of the Fund's investments.
- **Property risk:** Real estate values can be affected by a number of factors beyond the Fund's control and may be subject to long-term cyclical trends that can give rise to volatility in valuations.

Further things you should know: The Funds invest directly or indirectly in sterling denominated assets which predominantly provide a direct or indirect linkage to UK inflation or which otherwise provide a return related to or protection from a change in UK inflation as determined by the AIFM. For the M&G Inflation Opportunities funds I, II, III, IV, and V: The Funds may also hold a small amount of cash or ancillary liquid assets in other currencies to discharge fees and other obligations. For the M&G Inflation Opportunities Funds VI and VII: The linkage to inflation may be expressly stated by the issuer or determined by the AIFM. The assets may be listed or unlisted, may be rated or unrated and regulated or unregulated. The Funds are actively managed. The M&G Inflation Opportunities Funds I, III, V and VII have the UK RPI +2.5% as their benchmark. The M&G Inflation Opportunities Funds II and IV have the ICE BofA UK Inflation-linked Gilt Index +1.5% as their benchmark. The M&G Inflation Opportunities Fund VI has the FTSE Actuaries UK Index-linked Gilts over 5 years Index +1.5% as its benchmark.

Please note, investing in this fund means acquiring units or shares in a fund, and not in a given underlying asset such as a building or shares of a company, as these are only the underlying assets owned by the fund.

This is not an exhaustive list, you should ensure you understand the risk profile of the products or services you plan to purchase.

Risks associated with the fund

M&G Secured Property Income Fund

- **Credit risk:** The Fund may be exposed to the possibility that a tenant will not meet their lease obligations.
- **Liquidity risk:** Where market conditions make it hard to sell the Fund's investments at a fair price to meet redemptions, we may suspend dealing in the Fund's units.
- **Interest rate risk:** Changes in interest rates may adversely affect the market value of some of the Fund's investments.
- **Property risk:** Real estate values can be affected by a number of factors beyond the Fund's control and may be subject to long-term cyclical trends that can give rise to volatility in valuations.
- The Investment Policy of the Fund is to invest in a diversified portfolio of commercial real estate in the UK seeking to add value through strategic asset allocation, stock selection and asset management.
- Environmental and social characteristics are considered within the Fund's investment process, including setting binding elements, as well as, aspirational targets relating to reducing the impact of the Real Estate Assets on the environment, supporting the wellbeing of occupiers, and encouraging community engagement which are monitored using performance indicators, and external industry ESG benchmarks (such as GRESB).
- The Fund is actively managed and has no benchmark

Sustainability Information: The Fund promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments. Further details of our sustainability disclosures can be found on: <https://www.mandg.com/footer/sustainability-disclosures>

Please note, investing in this fund means acquiring units or shares in a fund, and not in a given underlying asset such as a building or shares of a company, as these are only the underlying assets owned by the fund.

This is not an exhaustive list, you should ensure you understand the risk profile of the products or services you plan to purchase.

Risks associated with the fund

M&G Secured Lease Income Fund

- **Credit Risk:** The Fund may be exposed to the possibility that a tenant will not meet their lease obligations.
- **Liquidity Risk:** Where market conditions make it hard to sell the Fund's investments at a fair price to meet redemptions, we may suspend dealing in the Fund's units.
- **Interest Rate Risk:** Changes in interest rates may adversely affect the market value of some of the Fund's investments.
- **Concentration Risk:** Due to a limited number of investments, the Fund may be affected adversely by the unfavourable performance of a single tenant.
- **Property Risk:** Real estate values can be affected by a number of factors beyond the Fund's control and may be subject to long-term cyclical trends that can give rise to volatility in valuations.
- The Investment Policy of the Fund is to invest in a diversified portfolio of commercial real estate in the UK seeking to add value through strategic asset allocation, stock selection and asset management.
- Environmental and social characteristics are considered within the Fund's investment process, including setting binding elements, as well as, aspirational targets relating to reducing the impact of the Real Estate Assets on the environment, supporting the wellbeing of occupiers, and encouraging community engagement which are monitored using performance indicators, and external industry ESG benchmarks (such as GRESB).
- The Fund is actively managed and has no benchmark
- **Sustainability information:** The Fund promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments.

Please note, investing in this fund means acquiring units in a fund, and not in a given underlying asset such as a building or shares of a company, as these are only the underlying assets owned by the fund.

This is not an exhaustive list, you should ensure you understand the risk profile of the products or services you plan to purchase.

Biography

Peter Manners-Smith – Director, Real Estate Income



Peter is a fund manager in the Real Estate Income business where he has worked on the UK funds since 2010, formerly as deputy fund manager on the M&G Secured Property Income Fund (c. £4.5bn) and latterly as fund manager on the Secured Lease Income Fund (approaching £1bn) which he launched in 2014.

Prior to joining M&G, Peter worked for Cushman & Wakefield Investors as an Investment Manager where he was responsible for institutional investors' portfolios invested in unlisted property funds on a global basis.

Peter joined the real estate industry in 2007 and is a Chartered Surveyor and an FCA Approved Person. He holds a BSc (Hons) in Investment and Finance in Property from the University of Reading and an MPhil in Real Estate Finance from the University of Cambridge.

Biography

Alastair Mitchell – Director, Institutional Fixed Income



Alastair joined M&G Investments in 2013, as part of the Institutional Fixed Income team. His primary focus is supporting our business development of institutional Fixed Income in the UK with Consultants and Pension Funds.

Prior to joining M&G, Alastair worked in the client services and business development team at Somerset Capital Management.

He graduated from CASS Business School with a Masters in Property, Valuation and Law in 2009 and has completed the Investment Management Certificate and the CFA UK ESG certificate.

Biography

Vanessa Brathwaite – Senior Fund Manager



Vanessa joined M&G Investments in September 2021 as a Senior Fund Manager in the Private Long Dated Fund Management team within the Private and Alternative Assets business. Vanessa comes with more than 20yrs of experience in the Fixed Income markets covering Investment Grade, High Yield, Loans and Private Debt.

Vanessa started her career in credit at S&P, before moving to the buy-side in 2006. Since then, she has held a variety of roles at UBS Asset Management, State Street Global Advisors, Lyxor Asset Management. Most recently she was at Tikehau Capital, where she managed EUR2bn of AUM investing in non-investment grade private credit (Direct lending and mid-market club deals) as well as broadly syndicated loans and High yield bonds.

Vanessa holds an MBA from Cass Business School and a BHons in Chemical Engineering from UCL. She most recently obtained her CFA ESG certificate in investing.

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