



TR PROPERTY INVESTMENT TRUST

Marcus Phayre-Mudge and James Wilkinson

AGM presentation

26th July 2011

Results and performance

Our views

Strategy



In the last financial year we...

- Started the year with 9% gearing in both share classes
 - ... markets abruptly fell as the Eurozone sovereign debt crisis erupted. EPRA down 17.5% in April and May 2010
- In hindsight this was an excellent opportunity to buy the sector
 - ... which rose 40% between late May 2010 and March 2011. A tremendous absolute performance but also
 - ... outperforming the broader market which returned 22.2% (FTSE All Share) and 20.6% (Eurostoxx 600)



EPRA Europe total return (in GBP)



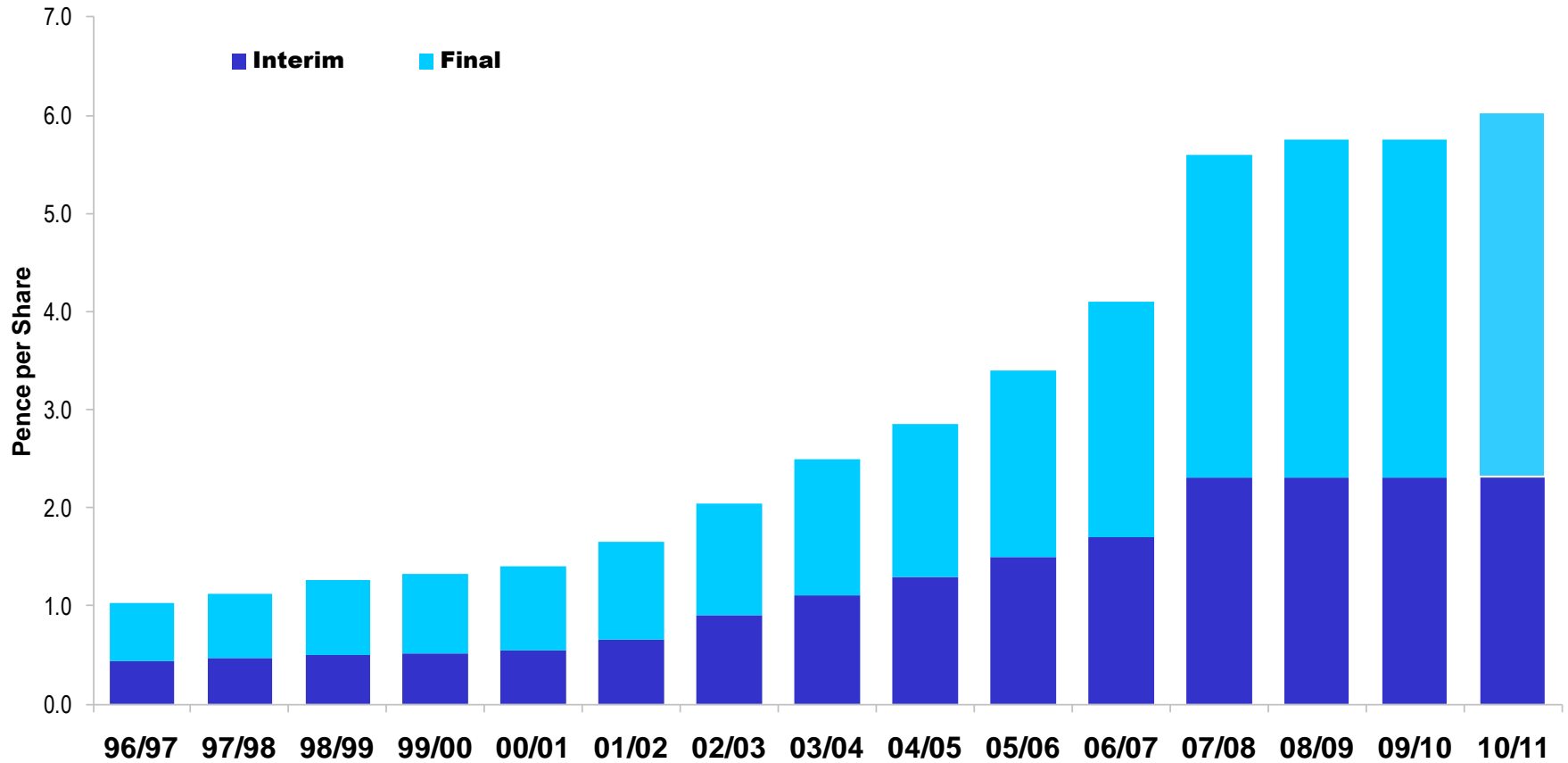
Ordinary shares: final results summary

- NAV total return +15.4%
- Benchmark NAV total return +15.2%
- Revenue EPS +34% to 6.94p
- Full year dividend +4.3% to 6p
- Share price total return +12.6%



Progressive dividend policy

Ordinary share dividends: Ten year historic growth 15.7% pa



Ordinary shares performance: NAV, benchmark (£), capital only



Sigma shares: final results summary



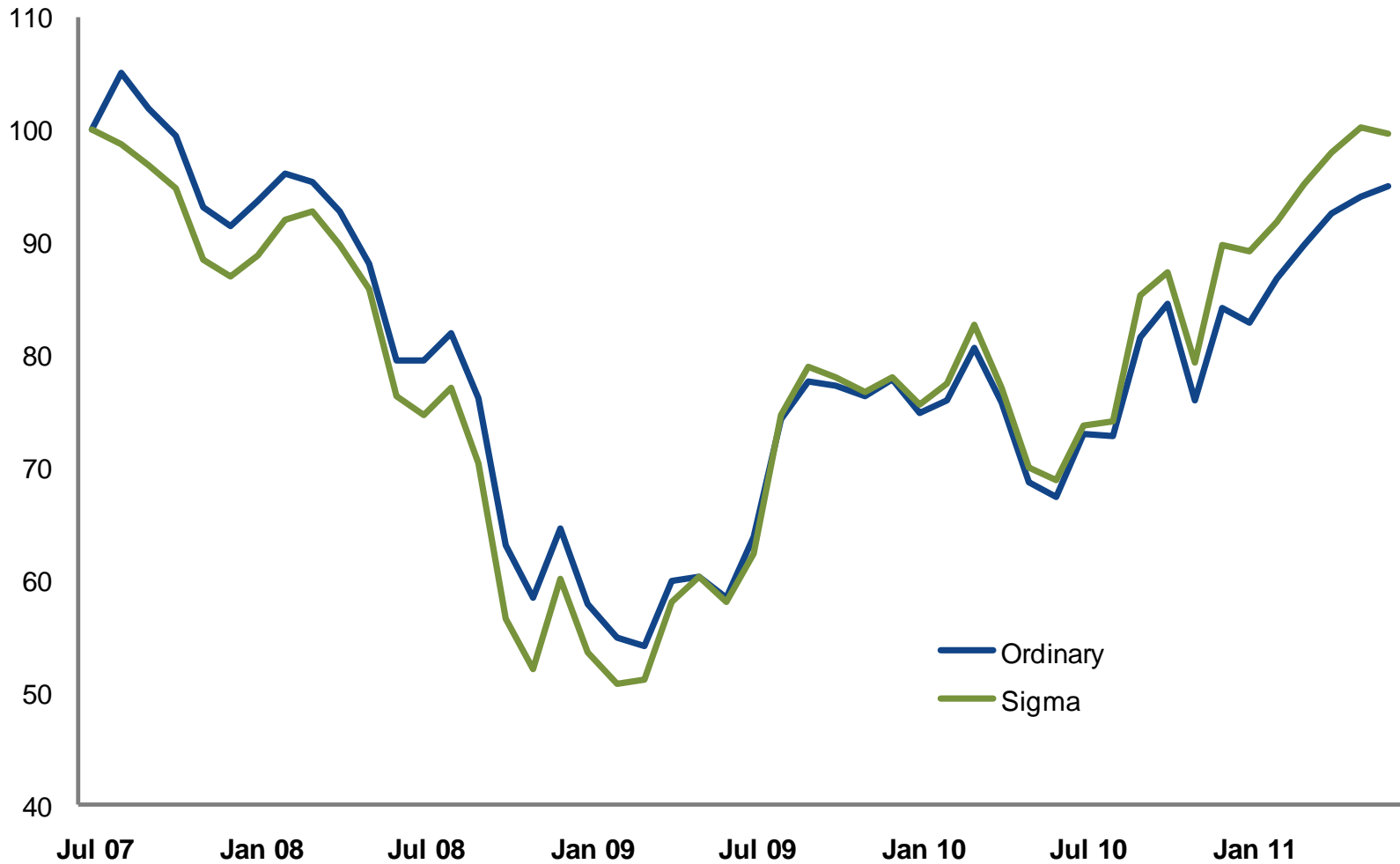
- NAV Total Return +16.4%
- Benchmark total return +16.9%
- Share price total return +19.7%
- EPS fell -16% to 2.57p (last year 3.02p)
... but last year driven by one-offs (underwriting, currency movement, VAT reclaim)
- Dividend increased +7.5% to 2.15p (2.0p last year)
- Progressive dividend the intention



Sigma shares performance: NAV and benchmark (£), capital only

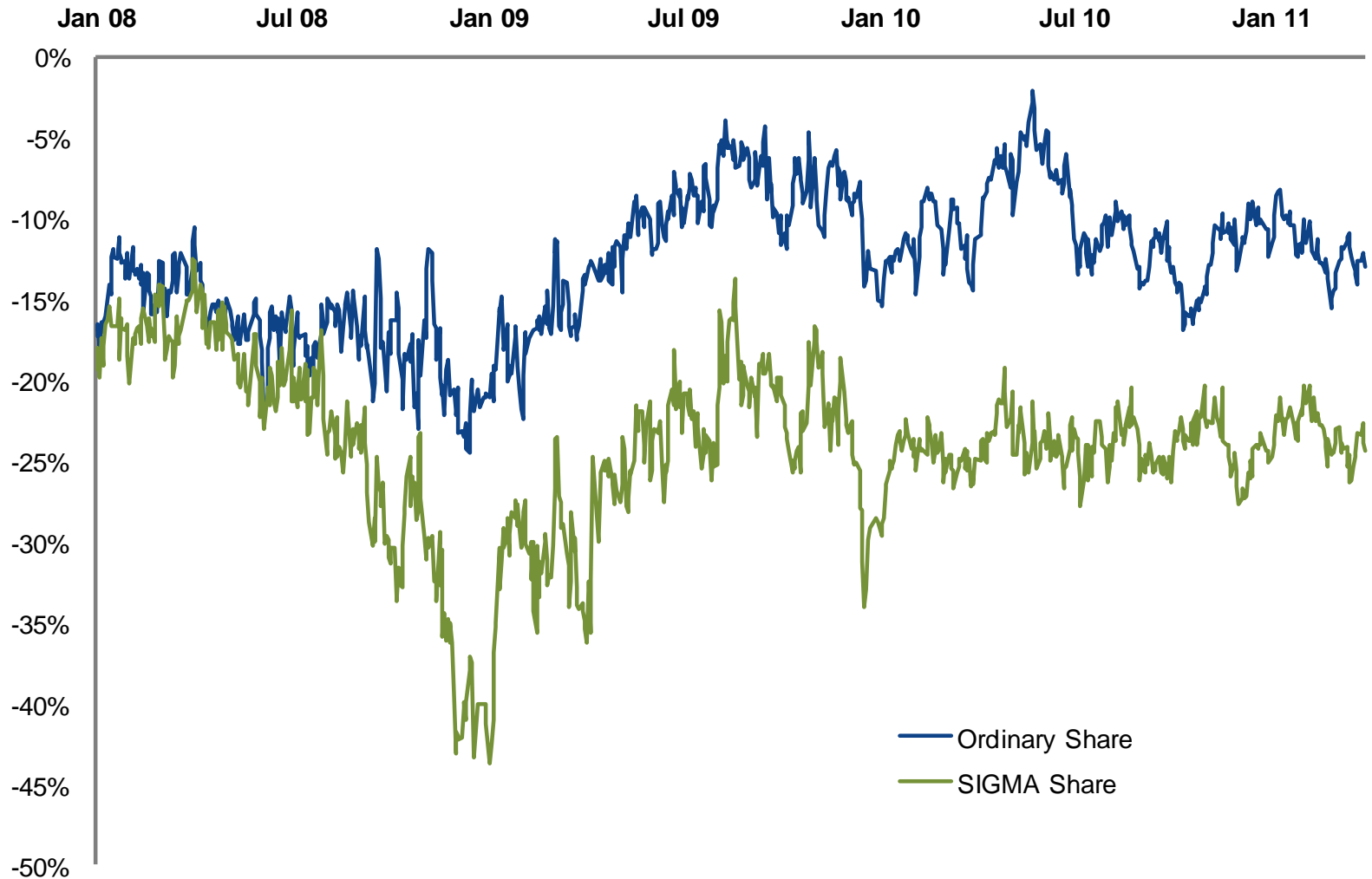


Ordinary share class NAV v. Sigma NAV



Smaller companies outperform

Discount to capital only NAVs



- Chris Turner retires today ... management of the Trust handed over to Marcus Phayre-Mudge on 1st April
- James Wilkinson became manager of Sigma share class on 1st April
- Marcus and James have worked together for 9 years
- Team remains 10 strong. A new European analyst starts in August

Pan European: 7 UK nationals, 3 European nationals



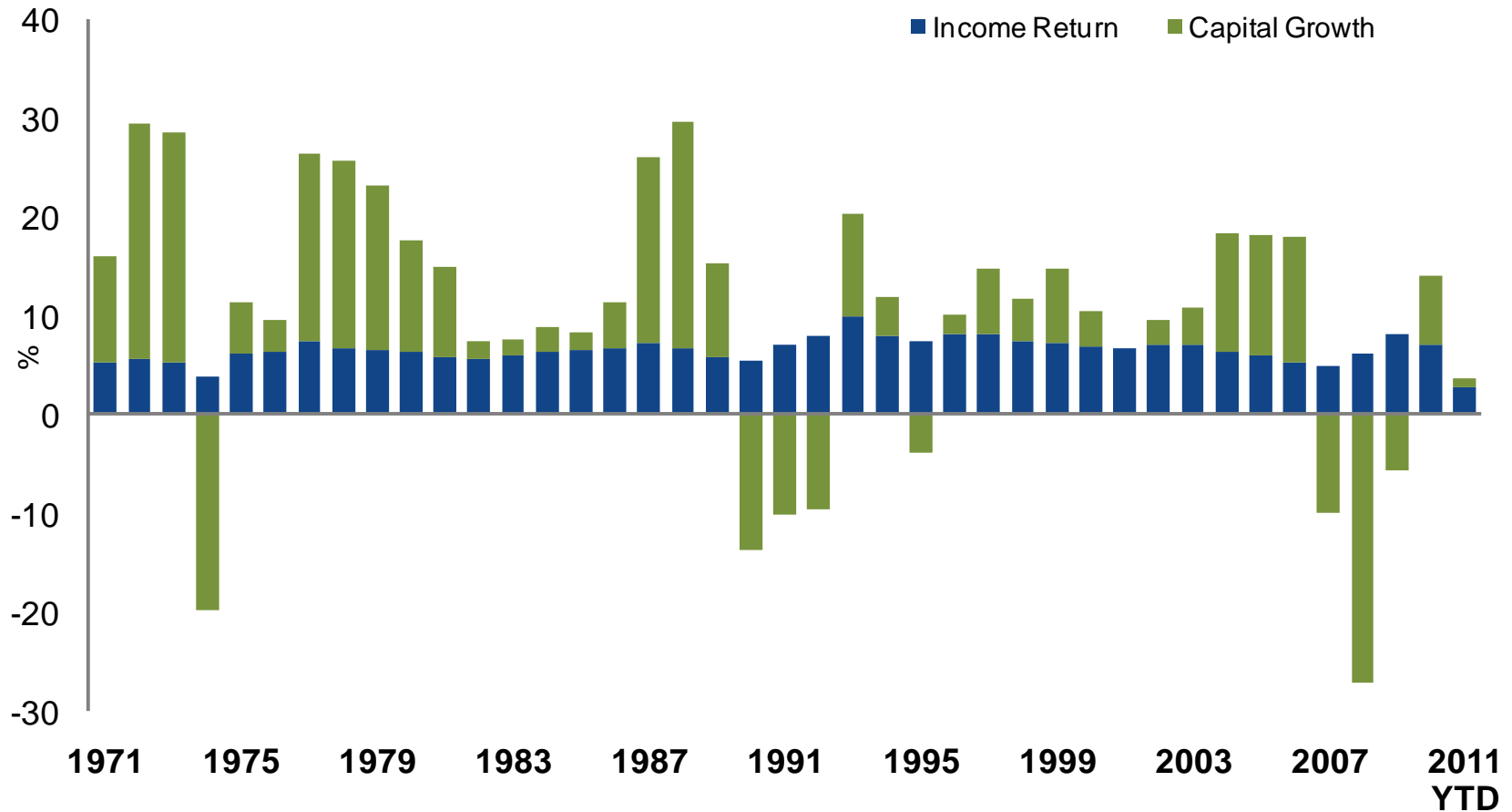


Our views

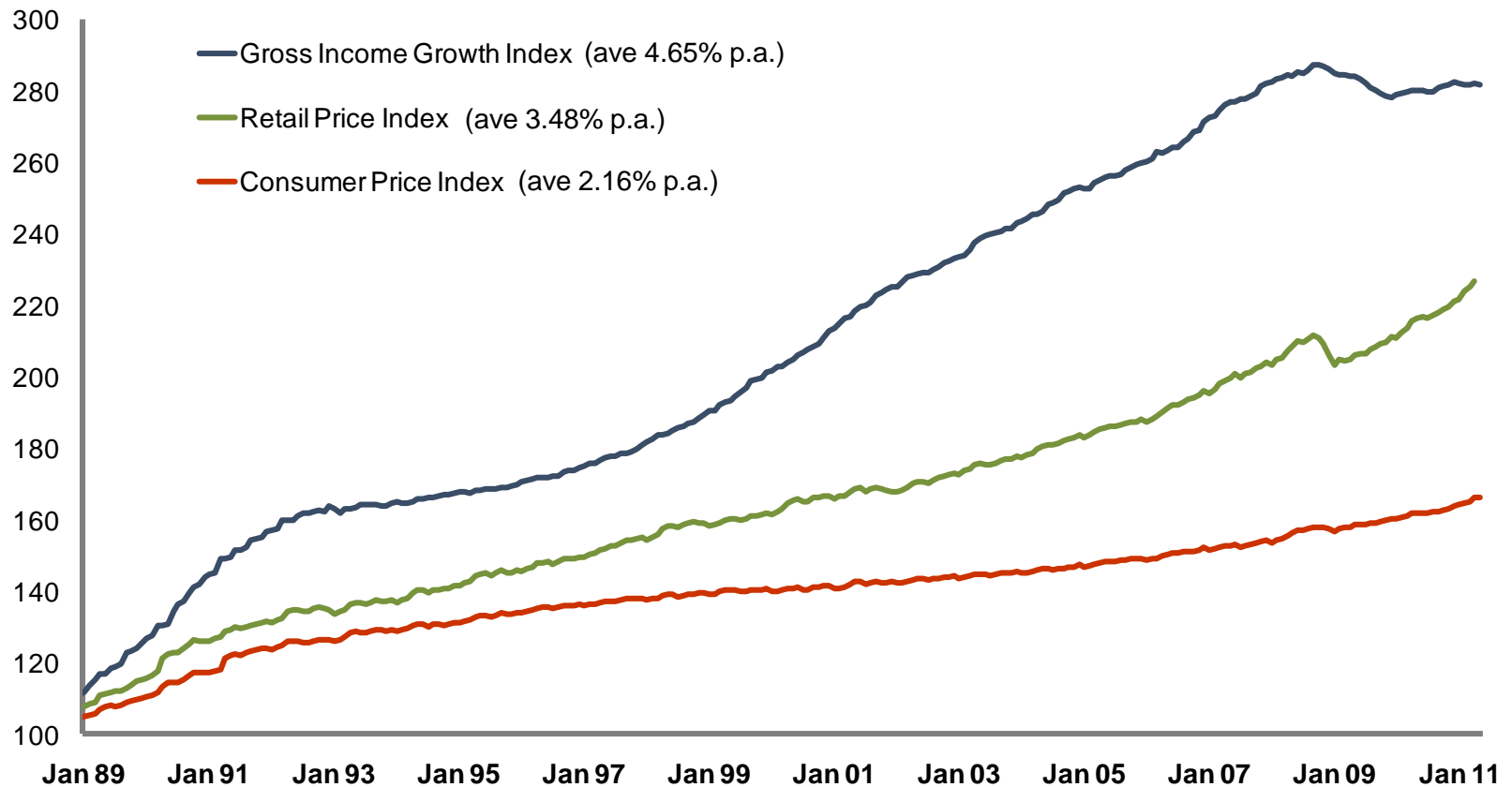


Fundamentals of real estate: high and secure income (1)

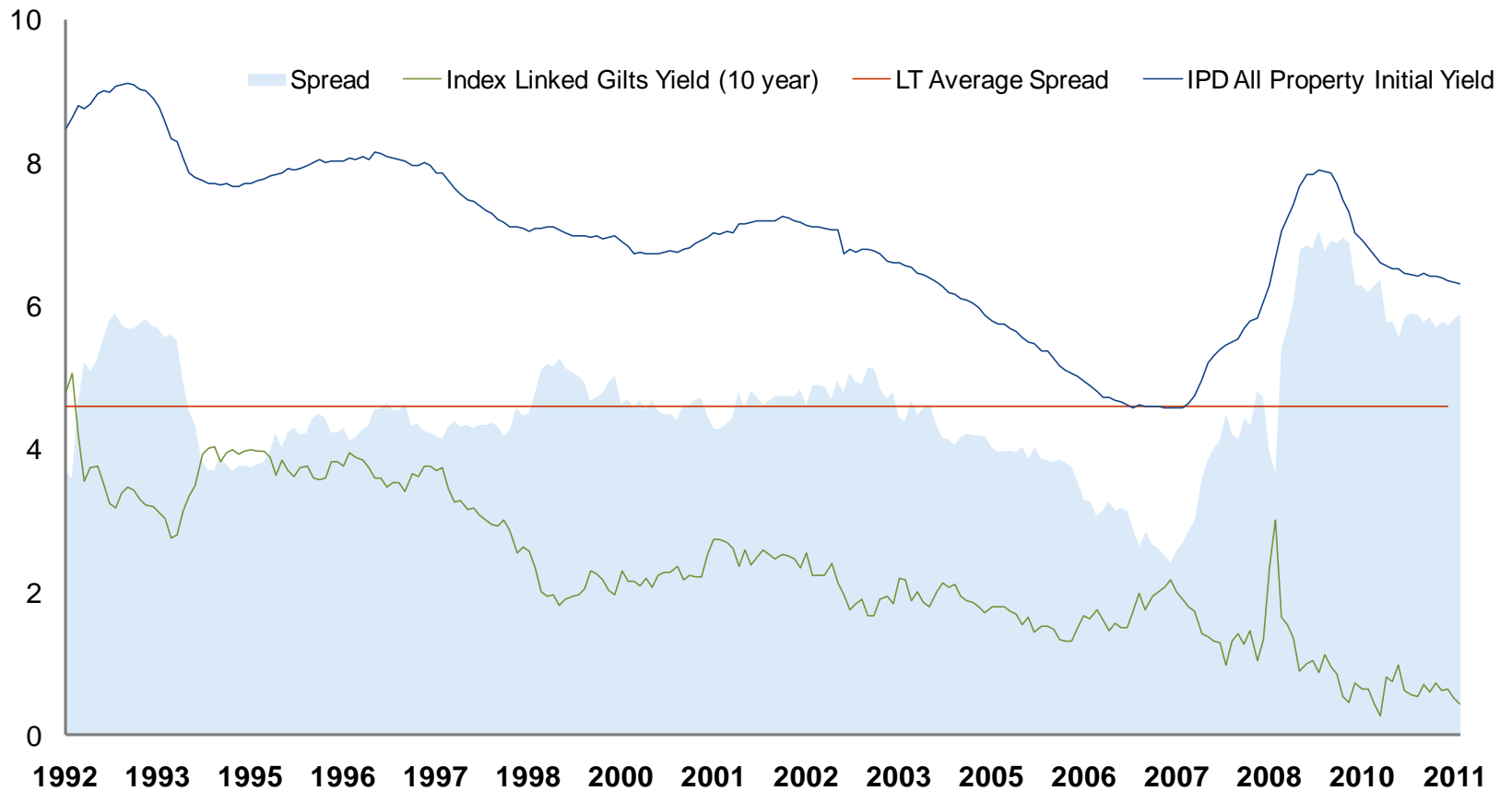
Total return breakdown



Fundamentals of real estate: inflation protection



UK IPD All Property Initial Yield vs 10yr Index-Linked Gilts



- Liquidity
- Diversification
- Low holding cost
- Fractional ownership
- Best assets and management
- Access to capital markets

... and critically

REAL ESTATE SECURITIES = REAL PROPERTY

Key points

- Investors with sufficient time horizons may prefer property shares
- Property shares can be rebalancing
- Real estate shares are a diverse, liquid and cost-effective option

Real estate securities give real property exposure

Compared to property rights, listed real estate securities provide a more liquid and diversified exposure to the real estate market. Many investors consider that real estate securities have a higher correlation to the FTSE UK General Market than to the FTSE Global Property Shares.

Conclusion of FTSE Global Property Shares vs. FTSE UK General Market

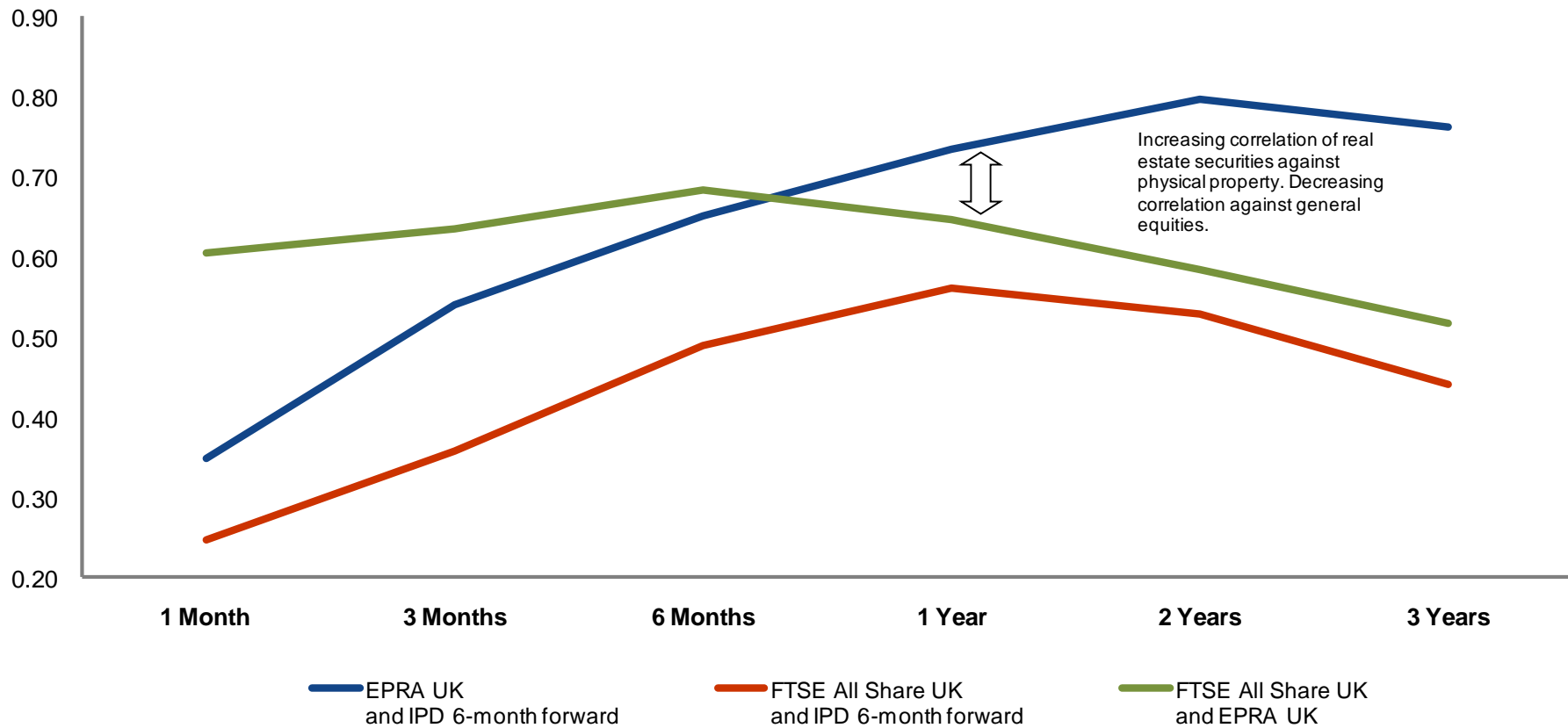
Year	FTSE Global Property Shares	FTSE UK General Market
2008	~0.95	~0.95
2009	~0.90	~0.90
2010	~0.95	~0.95
2011	~0.98	~0.98
2012	~0.95	~0.95
2013	~0.98	~0.98
2014	~0.95	~0.95
2015	~0.98	~0.98
2016	~0.95	~0.95

REAL ESTATE SECURITIES = REAL PROPERTY

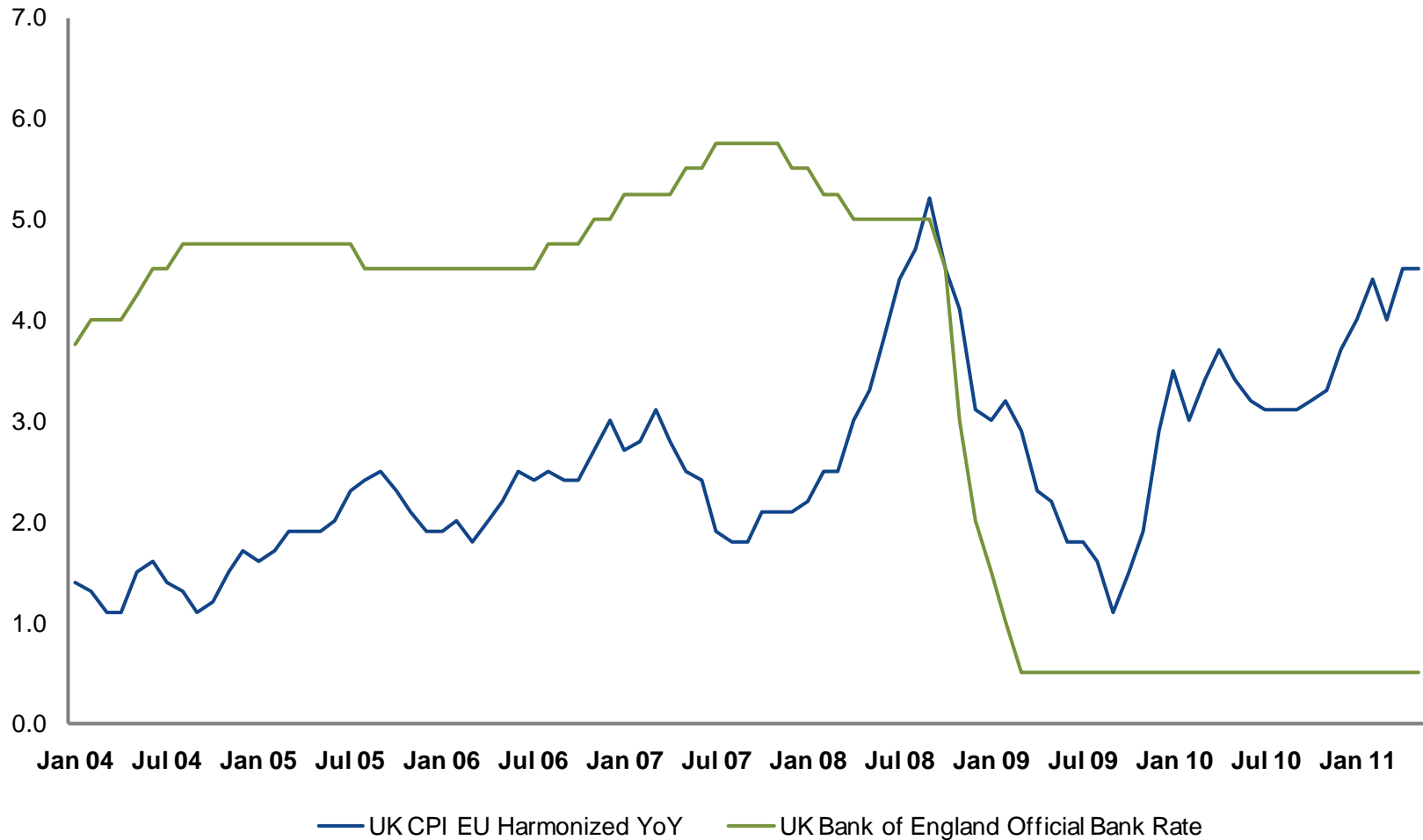


Real estate securities = real property

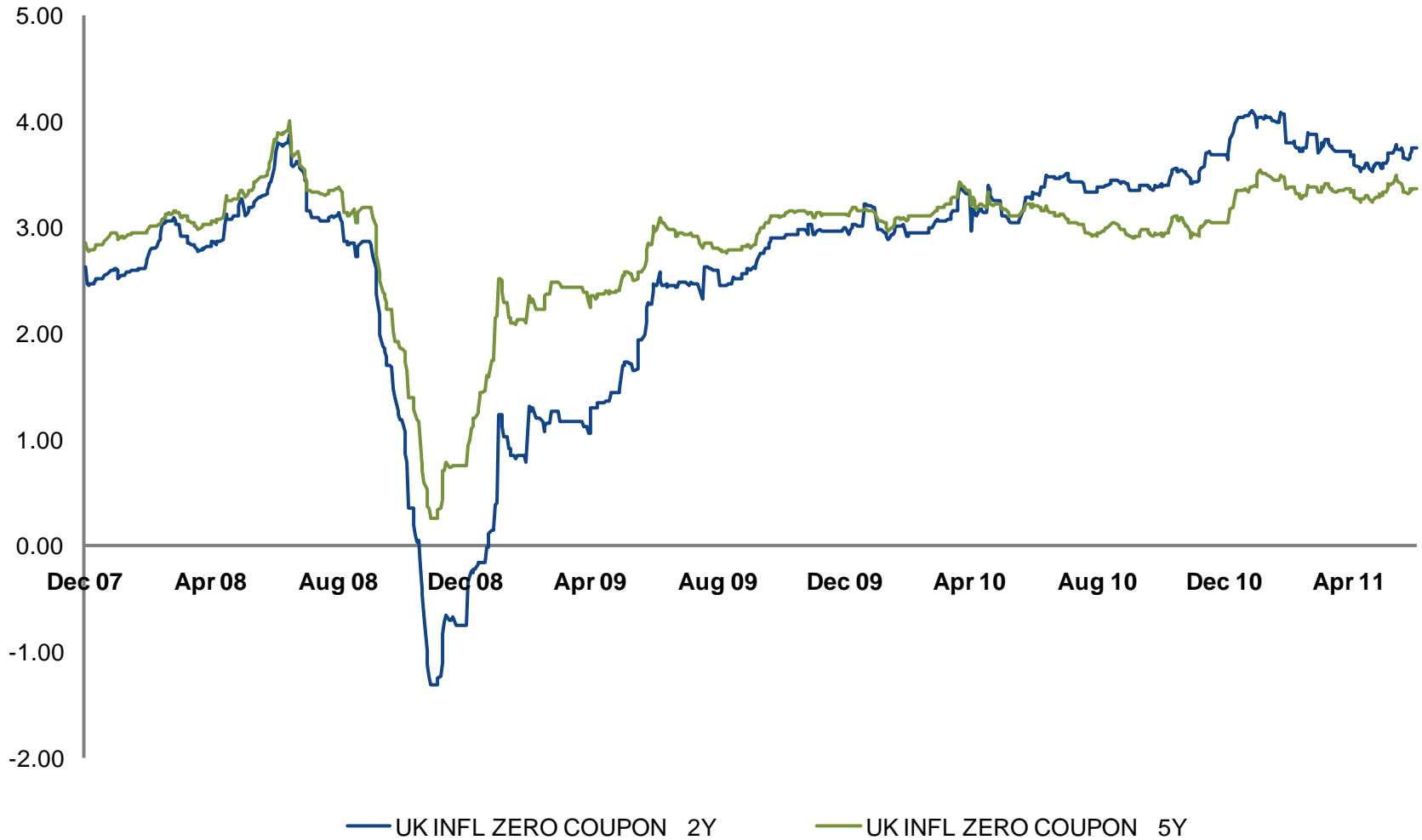
Correlation of FTSE EPRA UK (Property Shares) vs. IPD (Physical Property) and FTSE All Share UK (general equities)



CPI vs BoE interest rates



Market implied RPI forecasts



Correlation between EPRA UK Property and FTSE Banks



Dispersion of returns will increase

- Occupational market strength highly variable
- Capital (debt and equity) highly targeted
- Mismatch between bank exposure and listed market exposure
- Divergent sovereign, corporate and consumer finances

GREATER DISPERSION OF RETURNS = GREATER OPPORTUNITY FOR STOCK PICKERS





Strategy



So where are we (since the year end)

- Gearing down
- Anticipating further volatility
- Increasing dispersion of returns
- Bottom up approach maintained
- Remain focused



- UK – London (all sectors), some prime retail exposure
- France – Ile de France, prime retail
- Netherlands – avoiding offices
- Belgium – avoiding offices
- Italy – focused on the North
- Scandinavia – overweight
- Minimal exposure to Spain
- No exposure to Greece, Portugal, Ireland



Ordinary share class: direct property portfolio

- 4 properties
- £44.3m
- Initial Yield: 6.5%*
- Reversionary Yield: 7.3%



Solstice House, Milton Keynes

32,500 sq ft office
Tenant – DHL Ltd

Field House, Harlow

66,000 sq ft office
Tenant – Teva (UK) Ltd,
Close Brothers Ltd

The Colonnades, London, W2

Mixed use development
Supermarket, car park, 250
flats, offices and retail

Ferrier Street Industrial Estate, Wandsworth

35,000 sq ft
Industrial estate
Tenants – Absolute Taste,
Mossiman's Party Service

*Post rent free at Harlow

Before



After



- Increased rent on supermarket in 2008 by 80%
- Successful supermarket rent review in 2011 increased rent by a further 15%
- Surrender of NCP lease in 2010 to increase flexibility and improve management
- Negotiating with Waitrose for a new lease on an extended store
- 50 residential lease extensions (20% of total) completed premiums of £2m received

Q & A



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