

# TR Property Investment Trust Ordinary Shares

TR Property Investment Trust plc ■ Closed-ended investment trust - long only pan-European and UK direct property

Manager commentary  
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Pan-European real estate equities (in GBP) rose +4.1% in April, another strong month bringing the total return YTD to +10.7%. The dividend payment season is now underway (the vast majority of our Continental stocks pay annual dividends between late March and early June) and contributed 1% to performance in April. We also saw further weakness of GBP against EUR, CHF and SEK. The immediate consequence is to boost returns in GBP. Whilst we do not hedge the Fund's non-GBP position we endeavour to match the relevant exposure of the benchmark, ensuring relative

performance is not a function of currency fluctuations. When measured in EUR terms the index's total return was 'only' +6.6% - such has been the weakness of GBP. It is this currency weakness which has been a driver of performance of those UK stocks with significant London exposure. Foreign buyers are driving London's prime commercial and residential markets. Large cap, Land Securities and British Land were up 7% and 8.7% respectively, whilst specialists Derwent London and Great Portland were up over 9%. The latter is the Fund's largest overweight position. Collectively, the UK stocks rose +5.8%, the top performing country (in local terms).

On the Continent, the strongest performers were Norway (+4.4% in NOK) and the Netherlands (+3.6%). We remain overweight in Norwegian Properties, the only Norwegian property company in the index and focused on offices in Oslo and Stavanger. The Netherlands saw a takeover offer for Prologis European

Properties by APG and Goodman. Prologis US, the majority shareholder, countered and then increased their bid to €6.2 (a premium of 24%). APG have now sold their stake to Prologis. Whilst arguing they wished to improve corporate governance in the business it is encouraging that such a large pension fund was prepared to invest €600m in the pan-European logistics market.

Gearing increased from 7% to 8% and invested €5.3m in the IPO of GSW, a Berlin residential investment company. The price was €19 per share and the stock was €21.70 by the month end, with a market cap of €885m. The Fund participated in a placing from Primary Health Properties, a small UK healthcare property investor raising £16m for acquisitions. Such placings enable the Fund to participate in a meaningful way in what is a difficult stock to add to.

## Fund performance to 28.04.2011 (%)

	Current month	YTD	1 year	3 year	5 year		
NAV (capital only)	+3.15	+10.05	+22.20	-0.17	-2.41	NAV per share (capital only)	210.03p
FTSE EPRA/NAREIT Developed European Index (capital only, GBP)	+2.87	+8.75	+21.40	-12.64	-18.48	Share price	187.20p
Share price	+5.70	+11.83	+17.22	+6.51	-7.90	Discount	10.87%
						Yield	3.07%

Price is month-end mid-price. Source: BNP Paribas, Bloomberg. Refer to back of the monthly newsletter for monthly/annual return history vs benchmark. Historical performances for distribution share classes may vary from previous issues of the Thames River newsletter. This follows an improvement in the performance calculation methodology (from monthly to daily cumulative), in order to be in line with Global Investment Performance Standards.

## Geographic allocation (%)

Austria	1.7
Belgium	1.9
Central Europe	2.6
Denmark	0.2
Finland	1.9
France	21.9
Germany	9.0
Greece	0.1
Italy	4.9
Netherlands	2.9
Norway	1.6
Other	0.5
Portugal	0.1
Russia	0.1
Spain	2.1
Sweden	9.1
Switzerland	4.1
UK	35.1
USA	0.2
<b>Total</b>	<b>100.0</b>

## Asset allocation (%)

Continental Shares	58.1
UK Shares	34.5
UK Direct Property	7.4
<b>Total</b>	<b>100.0</b>

## Sector allocation (%)

	Fund
Industrial	9.9
Offices	35.3
Other	4.7
Residential	9.2
Retail	40.9
<b>Total</b>	<b>100.0</b>

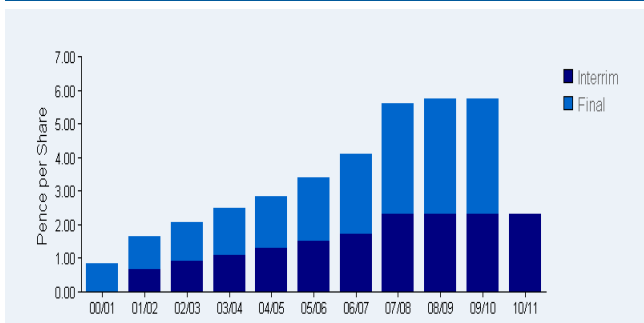
Figures above shown on a look-through basis.

## Fund performance 30.12.1999 to 28.04.2011



Prior to 01.09.01 the benchmark was FTSE Real Estate index and prior to 01.04.07 it was the S&P Citigroup European Property Index. Source: BNP Paribas, EPRA.

## Dividend history



Prior to 01.09.2001 the benchmark was FTSE Real Estate Index and prior to 01.04.2007 it was the S&P Citigroup European Property Index. Source: BNP Paribas.

## Top 10 holdings (%)

Unibail	14.5
Land Securities	6.7
British Land	5.9
Corio	3.7
Klepierre	3.3
Fonciere Des Regions	2.7
Derwent	2.7
Great Portland	2.6
Hammerson	2.5
Segro	2.4

## Key facts

**Fund objective:** The investment objective of the trust is to maximise total returns by investing in Pan European equities and UK direct property, focusing on long term capital and income growth.

**Net Assets (Mn):** £539.7mn

**Net gearing:** 7.60%

**NAV frequency:** Daily

**Dealing:** Daily (stockmarket)

**Legal status:** UK Investment Trust

**Listing:** London Stock Exchange

**Dividends:** January, July

**Initial charge:** Nil

**Management fee:** £2.65m p.a plus 0.20% net of assets p. a.

**Performance fee:** 15% of outperformance of benchmark plus 2% hurdle

**Investment manager:** Thames River Capital LLP

**Stockbroker:** Cenkos Securities plc

**Administrator:** BNP Paribas

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**Registrar:** Computershare Investor Services plc

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