

# TR PROPERTY INVESTMENT Trust

(TR Property Investment Trust plc) *Closed-ended investment trust*

LONG ONLY PAN EUROPEAN EQUITY AND UK DIRECT PROPERTY

## Manager Commentary – by Chris Turner

The benchmark gain in August was its best monthly result since Dec 2006. Prices rose modestly over the first two weeks of August, then declined sharply from 12 August on weaker macro data, profit taking, negative US banking, and poor UK commercial real estate news flow. Liberty International was a particularly sharp faller following weaker than expected interim results. Then, out of the blue, on 22 August, Simon Property, the major US mall REIT disclosed a 3.5% stake in Liberty. Liberty is a heavily shorted stock and the shares rose 10% in a morning tugging the other large cap UK property stocks higher. The gains held through the rest of the month aided by the improving outlook both for inflation and for base rates, this thanks to the rapid unravelling of the crude oil price. Overall the benchmark rose 3.91% in Sterling while the Ordinary NAV rose 3.13% and the share price rose 5.30%. The relative underperformance at the NAV level was due to too few Liberty and too much cash in a rising market. Over the month we made very few alterations to the portfolio. Cash in hand rose to £76m or £44m net of the outstanding debt but including current income. We continue to take a cautious view of the state of the market on concerns that credit availability is worsening and that, for the moment, this will continue to be the primary driver of property asset pricing.

### Fund Performance to 29 Aug 2008

	1 Month	YTD	1 Year	3 Year	5 Year	10 Year	NAV per share	Ordinary Share Price
Ord. Price (total return)	+5.30%	-5.99%	-21.92%	+8.47%	+145.39%	+474.77%	186.24p	159.00p
Ord. Price (capital only)	+5.30%	-8.09%	-24.64%	+0.79%	+117.42%	+335.62%		
NAV (price only)	+3.13%	-10.29%	-21.87%	+11.53%	+113.68%	+298.80%		
EPRA European Property Index (price only)	+0.05%	-14.24%	-25.73%	-4.70%	+61.79%	+115.78%	Yield 3.52%	Discount 16.36%

Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to the monthly newsletter – Page 35 for monthly / annual return history vs benchmark.

### Geographic Allocation % (Look-Through)

Austria	0.3
Belgium	1.7
Central Europe	4.3
Denmark	0.3
Finland	0.7
France	20.7
Germany	2.6
Greece	0.6
Italy	3.0
Netherlands	3.7
Portugal	0.1
Russia	0.4
Spain	1.8
Sweden	5.5
Switzerland	0.7
UK	53.3
USA	0.1
Other	0.4
<b>Total</b>	<b>100.0</b>

### Asset Allocation %

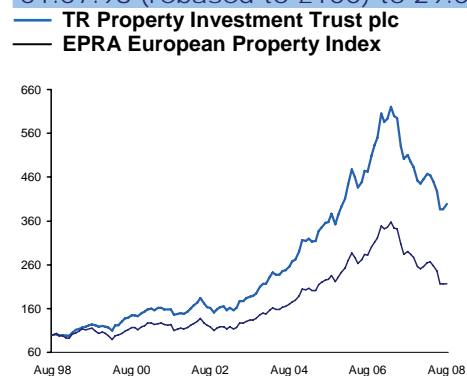
UK Shares	40.6
UK Direct Property	14.2
Continental Shares	36.4
Cash	8.8
<b>Total</b>	<b>100.0</b>

### Sector Allocation %

Offices	39.4
Retail	38.7
Industrial	14.4
Residential	4.2
Other	3.3
<b>Total</b>	<b>100.0</b>

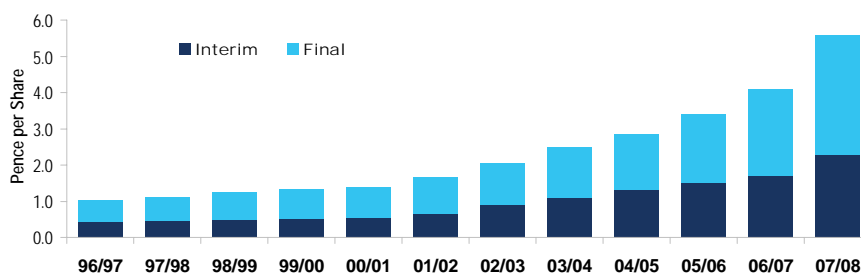
Note: figures above shown on a look-through basis.

### NAV per share Price Performance 01.07.98 (rebased to £100) to 29.08.08



Note: Prior to September 2001 the benchmark index was FTSE Real Estate Index. Prior to 01/04/07: S&P Citigroup European Property Index Source: Northern Trust IFAS (Ireland) Ltd, Bloomberg, S&P, EPRA.

### Dividend History\*



\*Dividends paid for March/Sep month ends are announced, November/May, paid January/July. Source = BNP Paribas.

### Top 10 Holdings % of net assets

Unibail	12.9
Land Securities	11.7
British Land	5.3
Big Yellow Group	3.4
Segro	3.2
Hammerson	3.0
Fonciere de Regions	2.5
Castellum	2.5
Liberty	2.2
Klepierre	2.0

### 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)

£488.8

### Net Gearing

-7.3%

### Established

1905

### Managed at TRC

Since 1 October 2004

### Dealing

Daily (Stockmarket)

### NAV Frequency

Daily

### Legal Status

UK Investment Trust

### Listing

London Stock Exchange

FTSE 250 Index

January, July

### Dividends

### Charges

### Initial Charge

Nil

### Management Fee

0.70% of net assets p.a. - up to £450m and 0.4% thereafter

### Performance Fee

15% of outperformance of benchmark plus 2% hurdle

### Investment Manager

Thames River Capital LLP

### Stockbroker

Centos Securities plc

### Administrator

BNP Paribas

c/o Nicola Williamson, TRC

Tel: +44 (0)20 7360 1335

Email: nwilliamson@thamesriver.co.uk

### Registrar

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For further information please contact:

Nicola Williamson on +44 (0)20 7360 1335 or [nwilliamson@thamesriver.co.uk](mailto:nwilliamson@thamesriver.co.uk)

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