

# TR PROPERTY INVESTMENT Trust

## Ordinary Shares

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

LONG ONLY PAN EUROPEAN EQUITY AND UK DIRECT PROPERTY

### Manager Commentary – by Chris Turner

UK and European property stocks flew in August rising 18.6% which, in Sterling terms is their greatest monthly gain this century. Behind the surge was the continued amazing improvement in the UK and European economic outlook and the growing realisation that very low interest rates may be with us much longer than we previously expected. These factors are causing investors to shift safe cash into riskier, income producing, assets at a rapid pace. In this context property and property shares are popular as they also offer potential for some long term inflation protection. The rights issues have dried up. The banks are not rushing to sell their problem loans or foreclosed property. House prices are rising, and commercial property pricing has turned the corner. Everywhere we look things are not as bad as we once feared. The dash for risk has been very apparent at the stock performance level. Quintain, the indebted residential land owner, rose 116%, Unite rose 90%, and numerous other well leveraged stocks rose 30% or more. Stocks with little or no debt almost all underperformed. In some areas pricing is now rich, with 20% to 30% premiums to recent historic NAVs, but with the investment market very short of good quality stock the odds are on some assets showing strong value increases over the next three months. Over the month the Ordinary share class NAV rose 15.63% and the share price increased by 20.19%. The NAV underperformance of almost 300bp was a reflection of my timidity to go overweight in stocks I was glad not to hold six months ago. Net cash fell over the month to under £5m with purchases again strongly biased towards Continental stocks. I was a modest net seller of the UK majors.

### Fund Performance to 31 Aug 2009

	1 Month	YTD	1 Year	3 Year	5 Year	10 Year	NAV per share	Ordinary Share Price
Ord. Price (total return)	+20.15%	+39.83%	+4.23%	-13.11%	+75.18%	+330.61%	167.82p	157.75p
Ord. Price (capital only)	+20.19%	+35.99%	-0.79%	-21.61%	+50.96%	+221.94%		
NAV (price only)	+15.63%	+13.33%	-9.89%	-23.99%	+40.66%	+190.85%		
EPRA European Property Index (price only)	+18.62%	+12.29%	-18.48%	-35.22%	+7.42%	+58.96%	Yield 3.55%	Discount 8.02%

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

### Geographic Allocation % (Look-Through)

Austria	1.4
Belgium	2.8
Central Europe	1.9
Denmark	0.1
Finland	1.5
France	26.9
Germany	2.8
Greece	0.9
Italy	4.1
Netherlands	4.4
Portugal	0.1
Russia	0.4
Spain	2.8
Sweden	7.7
Switzerland	1.1
UK	40.2
USA	0.5
Other	0.3
<b>Total</b>	<b>100.0</b>

### Asset Allocation %

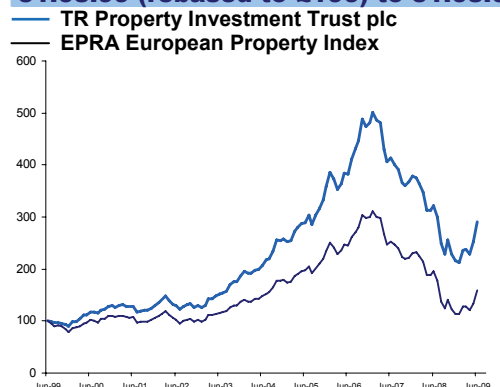
UK Shares	36.50
UK Direct Property	10.75
Continental Shares	49.79
Cash	2.96
<b>Total</b>	<b>100.0</b>

### Sector Allocation %

Offices	37.4
Retail	40.4
Industrial	11.6
Residential	6.6
Other	4.0
<b>Total</b>	<b>100.0</b>

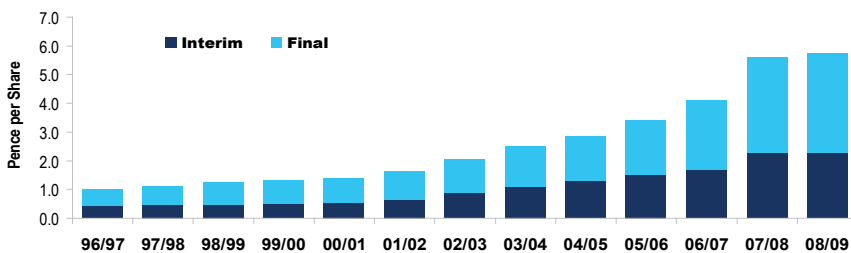
Note: figures above shown on a look-through basis.

### NAV per share Price Performance 31.08.99 (rebased to £100) to 31.08.09



Note: 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\*



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

### Top 10 Holdings % of net assets

Unibail	16.8
Land Securities	7.4
British Land	5.7
Segro	4.7
Corio	4.2
Klepierre	3.1
Fonciere Des Regions	2.9
Hammerson	2.8
Great Portland	2.5
Icade	2.5

### 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)

£440.3

### Net Gearing

-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

£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

c/o Nicola Williamson, TRC

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Email: nwilliamson@thamesriver.co.uk

### Registrar

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