

TR PROPERTY INVESTMENT Trust

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

LONG ONLY PAN EUROPEAN EQUITY AND UK DIRECT PROPERTY

Adviser Commentary – by Chris Turner

December rounded off another excellent year for the sector and for the Trust. Over the month the net asset value rose by 9.73% while the benchmark rose 8.50%. The share price grew by 6.99% as the discount moved out to 9.1%. Over the whole of 2006 the share price total return has been 59.6% while the benchmark index total return has been 48.0%. Strong investment inflows were again in evidence over the month and they, together with some year end benchmark adjustments, plus the usual low volumes over the Christmas period, accounted for some unusually sharp share price movements. Amongst our top ten holdings, Big Yellow (+22%) and Fonciere des Regions (+15%) were particularly sought. The arrival of the UK REIT structure received widespread press coverage but UK property share prices showed no abnormal strength rising +9.6% - only slightly outperforming the benchmark. During the month the Trust's gearing was unchanged at 12% despite a rise in net debt by £9.3m to £118m. New shareholdings opened including Rose Group International, a Moscow high-end residential developer and Fonciere Development Logements, a French based owner of let residential property in Germany. At the end of the month we lightly pruned holdings in Big Yellow, Fonciere des Regions and Gecina.

Fund Performance to 29 Dec 2006

	1 Month	YTD	1 Year	3 Year	5 Year	10 Year	NAV per share	Ordinary Share Price
Ord. Price (total return)	+7.73%	+59.62%	+59.62%	+197.46%	+417.59%	+867.78%	282.20	£256.50
Ord. Price (price only)	+6.99%	+56.88%	+56.88%	+180.33%	+356.97%	+632.86%		
NAV (price only)	+9.73%	+54.32%	+54.32%	+179.57%	+307.22%	+600.94%		
S&P Euro Property Index (price only)	+8.50%	+44.40%	+44.40%	+133.17%	+207.71%	+258.24%	Yield 1.40%	Discount 9.11%

Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to the monthly newsletter - Page 25 for monthly / annual return history vs benchmark.

Geographic Allocation (See-Through)

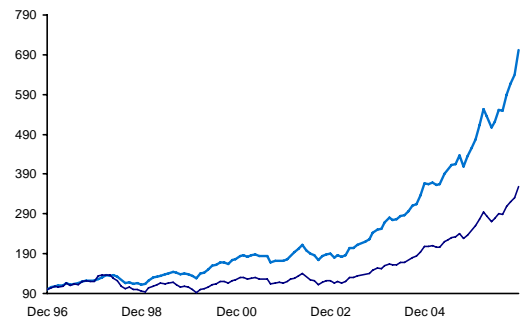
Austria	0.2%
Belgium	1.5%
Central Europe	2.5%
Denmark	0.1%
Finland	0.9%
France	16.5%
Germany	6.4%
Greece	0.4%
Italy	3.4%
Netherlands	2.5%
Portugal	0.1%
Spain	1.8%
Sweden	6.8%
Switzerland	0.5%
UK	55.3%
USA	1.1%
Other	0.3%
Total	100.0%

Asset Allocation

UK Shares	57.6%
Continental Shares	36.4%
UK Direct Property	6.0%
Total	100.0%

NAV per share Price Performance 29.12.96 (rebased to £100) to 29.12.06

— TR Property Investment Trust plc
— S&P Citigroup European Property Index



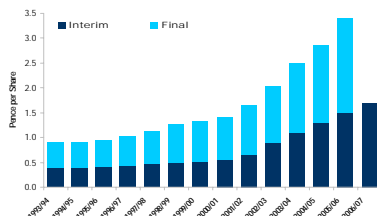
Note: Prior to September 2001 the benchmark index was FTSE Real Estate Index. Source: Bloomberg, S&P.

Sector Allocation

Offices	35.4%
Retail	36.2%
Industrial	13.1%
Residential	11.4%
Other	3.8%
Total	100%

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

Dividend History*



Top 10 Holdings % of net assets

Land Securities	14.1%
British Land	9.6%
Hammerson	6.4%
Big Yellow Group	6.2%
Slough Estates	4.9%
Rodamco Europe	4.6%
Unibail	3.9%
Fonciere De Regions	3.9%
Liberty International	3.5%
Castellum	3.1%

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

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.

Gross Total

Assets (Mn)	£1088.2
Gearing	12.1%
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
Dividends	January, July

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

UBS Investment Bank

Administrator

BNP Paribas
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Registrar

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Potential investors should follow the links below for information on any current side letters relating to the schemes.
<http://www.thamesriver.co.uk/downloads/disclosures.htm> <http://www.nevskycapital.com/downloads/disclosures.htm>

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BHF-BANK Aktiengesellschaft Bockenheimer Landstrasse 10 D-60323 Frankfurt am Main Germany	Bank Austria Creditanstalt AG Am Hof 2 A-1010 Wien Austria
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Prices available from:

Bloomberg	TRY LN	Lipper	71000704
Datastream	TRY	Reuters (TRY.L)	TBC
FT (Mex ID)	TRPROP	Sedol	0906409
ISIN	GB0009064097	S&P	090640
		Telekurs	TBC

