

TR PROPERTY INVESTMENT Trust

ORDINARY SHARES

(TR Property Investment Trust plc) Closed-ended investment trust
LONG ONLY UK DIRECT PROPERTY & PAN EUROPEAN PROPERTY EQUITIES

Manager Commentary - by Chris Turner

UK and European real estate equities had a broadly uneventful December. A sharp rally at the start of the month had no follow through and the index meandered through the middle of the month before some seasonal cheer raised the prices, particularly in the UK, in very light volumes between Christmas and the New Year. Background news from direct property markets continued to be positive at the investment level with more evidence of prices rising for higher quality investments, but property share prices are already discounting some decent NAV growth in Q4 2009 and NAV forecasts are unlikely to be raised again until Q1 2010 property market trends are clearer. The EPRA European Index in Sterling rose 2.33%, the Ordinary Share Class NAV rose 2.08% but the Ordinary shares price, which went ex the interim dividend during the month, fell 6.77% as the discount to the capital only NAV rose from 7.1% to 15.1%. Ahead of the major corporate reporting season in February, real estate stocks are taking their momentum from the main markets, which are, in turn, moving primarily on the expectations for the end of QE and the speed and direction of the economic recovery. Somewhat on the short term back burner we have the sector specific concerns regarding tenant demand or the lack of it and the potential flooding of the investment market by the banks offloading foreclosed stock. Net debt rose from £26m to £29m during December as a result of modest net investment which mostly involved the take-up of the rights in the issues by Quintain and Grainger.

Fund Performance to 31 Dec 2009

| | 1 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | NAV per share | Ordinary Share Price |
|---|---------|---------|---------|---------|---------|----------|----------------|----------------------|
| Ord. Price(total return) | -5.41% | +35.03% | +35.03% | -34.62% | +31.88% | +344.70% | 176.88p | 150.10p |
| Ord. Price(capital only) | -6.77% | +29.40% | +29.40% | -41.48% | +13.71% | +231.71% | | |
| NAV (price only) | +2.06% | +19.42% | +19.42% | -37.33% | +20.02% | +219.16% | Yield | Discount |
| EPRA European Property Index (price only) | +2.33% | +18.41% | +18.41% | -44.79% | -5.38% | +85.55% | 3.73% | 15.14% |

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 | 1.8 |
| Belgium | 2.2 |
| Central Europe | 2.5 |
| Denmark | 0.1 |
| Finland | 2.2 |
| France | 24.1 |
| Germany | 6.7 |
| Greece | 0.8 |
| Italy | 4.0 |
| Netherlands | 3.9 |
| Norway | 1.9 |
| Other | 0.4 |
| Portugal | 0.1 |
| Russia | 0.6 |
| Spain | 2.4 |
| Sweden | 7.6 |
| Switzerland | 1.2 |
| UK | 37.1 |
| USA | 0.4 |
| Total | 100.0 |

Asset Allocation %

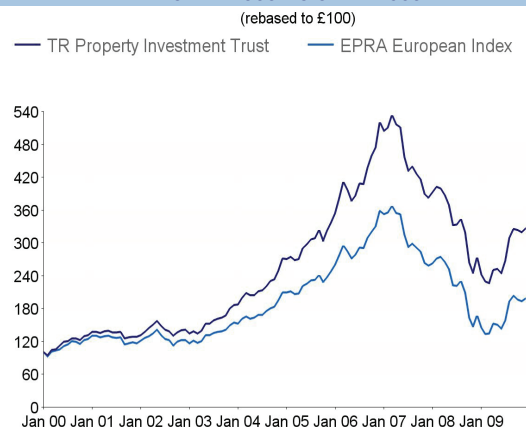
| | |
|--------------------|--------------|
| Continental Shares | 53.2 |
| UK Shares | 36.0 |
| UK Direct Property | 9.6 |
| Cash | 1.2 |
| Total | 100.0 |

Sector Allocation %

| | |
|--------------|--------------|
| Industrial | 10.6 |
| Offices | 34.6 |
| Other | 5.8 |
| Residential | 12.4 |
| Retail | 36.6 |
| Total | 100.0 |

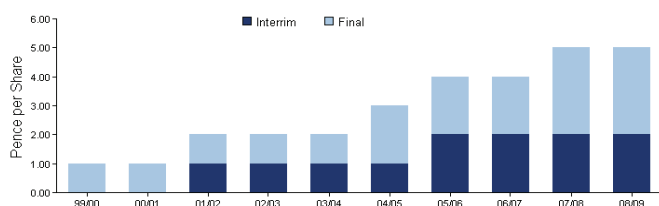
Note: figures above shown on a look-through basis.

NAV per share Price performance 31.12.1999 To 31.12.2009



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 | 16.5 |
| Land Securities | 7.1 |
| British Land | 4.9 |
| Corio | 4.2 |
| Segro | 3.8 |
| Klepierre | 3.0 |
| Hammerson | 2.8 |
| Fonciere Des Regions | 2.7 |
| Derwent | 2.3 |
| Icade | 2.3 |

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) | £454.0 |
| Net Gearing | -3% |
| Established | 1905 |
| Managed at TRC | Since 01/10/2004 |
| Dealing | Daily (stockmarket) |
| Listing | London Stock Exchange FTSE 250 Index |
| Legal Status | UK Investment Trust |
| Dividends | January, July |
| 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 |
| Contact: | c/o Angelique Ello, TRC |
| Email: | aello@thamesriver.co.uk |
| Registrar | Computershare Investor Services plc |
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<http://www.thamesriver.co.uk/downloads/disclosures.htm> <http://www.nevskycapital.com/downloads/disclosures.htm>

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http://www.nevskycapital.com/pdf/paying_agents.pdf