

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

February was looking very comfortable until the last two days when global markets lost their collective nerve. In the event, we outperformed at the NAV level with a 1.14% gain versus a 0.84% gain for the benchmark. The share price closed the month down 1.01% as the discount widened to 11.8% at which level we happily bought back shares for cancellation. Until the late month sell off, UK property shares had recovered from their January correction, though gains were muted as the NAV announcements from British Land, Land Securities and Hammerson were in-line rather than exceeding expectations and the January monthly IPD showed a 0.7% total return hinting that the pace of yield compression in the UK has slowed markedly. In Europe, stocks were higher overall and French property SIICs rose an average 8% as final results were above expectations right across the board. The only faller in that market was Fonciere des Regions which declined 9% after announcing an agreed bid all share offer for Beni Stabili, the Italian property investor. The market has failed to see the logic of this transaction. We made around £30m of sales in February; the largest was in Big Yellow where we cut our stake to under 6% at 665p. The proceeds were applied to cutting debt and to share repurchases. We bought back 11.9 million shares in the month and have continued these purchases in March. Net debt was £105 at the month end and gearing 11.2%.

Fund Performance to 28 Feb 2007

	1 Month	YTD	1 Year	3 Year	5 Year	10 Year	NAV per share	Ordinary Share Price
Ord. Price (total return)	-1.01%	-4.87%	+26.50%	+162.90%	+341.37%	+759.24%	277.11p	244.00p
Ord. Price (capital only)	-1.01%	-4.87%	+24.33%	+147.72%	+288.84%	+552.76%		
NAV (price only)	+1.28%	-1.80%	+33.96%	+156.56%	+271.91%	+532.67%		
S&P Euro Property Index (price only)	+0.84%	-1.00%	+28.04%	+120.18%	+181.83%	+229.67%	Yield 1.48%	Discount 11.95%

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	2.7%
Denmark	0.1%
Finland	1.0%
France	16.6%
Germany	4.2%
Greece	0.4%
Italy	3.4%
Netherlands	2.3%
Portugal	0.1%
Spain	1.5%
Sweden	7.1%
Switzerland	0.5%
UK	57.0%
USA	1.3%
Other	0.3%
Total	100.0%

Asset Allocation

UK Shares	54.4%
Continental Shares	39.2%
UK Direct Property	6.4%
Total	100.0%

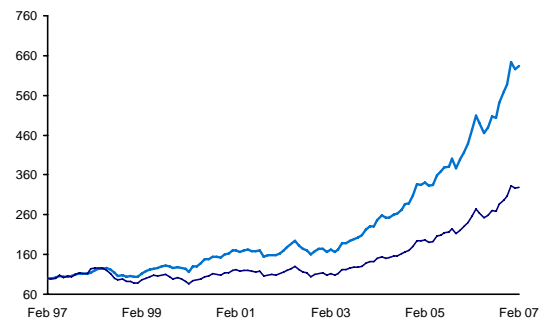
Sector Allocation

Offices	38.2%
Retail	36.1%
Industrial	13.4%
Residential	8.4%
Other	3.9%
Total	100.0%

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

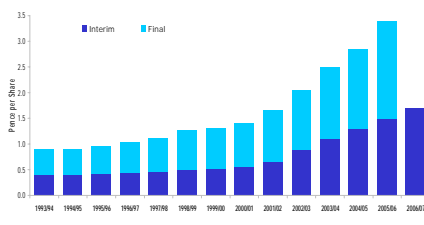
NAV per share Price Performance 28.02.97 (rebased to £100) to 28.02.07

— 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.

Dividend History*



Top 10 Holdings % of net assets

Land Securities	12.7%
British Land	8.5%
Hammerson	5.5%
Slough Estates	4.9%
Unibail	4.7%
Rodamco Europe	4.3%
Big Yellow Group	4.3%
Fonciere De Regions	3.4%
Castellum	3.1%
Liberty International	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)

Assets (Mn)	£1,053.2
Gearing	11.14%
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 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

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Stockbroker
Cenkos Securities plc

Administrator

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Registrar

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<http://www.thamesriver.co.uk/downloads/disclosures.htm> <http://www.nevskycapital.com/downloads/disclosures.htm>

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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

