

# 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 Marcus Phayre-Mudge / Chris Turner

In local currency terms, February was a quiet month for both UK and European property share prices. They remain moored in the relatively narrow trading range established last September. However currencies were extremely volatile. Sterling took a battering, falling 3% against the Euro (also weak on Greek affairs), 5% against the Swiss Franc and almost 8% against the Swedish Kronor. As a result the gap between the EPRA benchmark's monthly performance in Euros (-1.26%) and the EPRA benchmark in Sterling (+2.04%) was far wider than usual. Against the Sterling benchmark the Trust's NAV under performed with an increase of 1.46%. The share price, however, rose 2.60% as the discount to NAV narrowed slightly. Recalcitrant Hellenes and resurgent Labour aside, February saw over half the Sector (by market cap) produce final results. Taken as a whole the figures were very close to expectations with almost no major surprises or disappointments. Equally guidance for the coming year, where offered, has tended to confirm previous forecasts. On both sides of the Channel managements have stressed the fragility of the economic recovery. All have confirmed that they are seeking to buy, from banks, that most elusive of assets - great property at rock bottom prices. In reality few will achieve this latter ambition. For most property companies, 2010 will be a year of hard graft within their existing portfolios, renewing as many leases as possible and letting up vacant space on the best terms available. At least the region's macro economic numbers out in February reinforced the view that serious interest rate increases are unlikely to be a problem in 2010. Purchases and sales were modest over the month. The largest investment was an addition to the holding of Swiss Prime Site. Net debt rose from £35m to £36m over the month.

### Fund Performance to 26 Feb 2010

	1 Month	YTD	1 Year	3 Year	5 Year	NAV per share	Ordinary Share Price
Ord. Price(total return)	+2.53%	+2.60%	+59.63%	-30.71%	+35.92%	172.32p	154.10p
Ord. Price(capital only)	+2.53%	+2.60%	+48.43%	-36.89%	+14.50%		
NAV	+1.47%	-2.56%	+38.31%	-37.81%	+15.75%	Yield	Discount
EPRA European Property Index (price only)	+2.04%	-2.21%	+45.46%	-45.46%	-8.25%	3.63%	10.57%

Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to back of the monthly newsletter for monthly / annual return history vs benchmark. N.B. Historical performances for distribution share classes may vary from previous issues of the Thames River newsletters. This follows an improvement in the performance calculation methodology (from monthly to daily cumulative), in order to be in line with Global Investment Performance Standards.

### Geographic Allocation (Look-Through)

Austria	1.8
Belgium	2.1
Central Europe	2.6
Denmark	0.1
Finland	2.2
France	23.0
Germany	6.8
Greece	0.7
Italy	4.0
Netherlands	3.7
Norway	1.9
Other	0.4
Portugal	0.1
Russia	0.5
Spain	2.3
Sweden	9.3
Switzerland	1.7
UK	36.4
USA	0.4
<b>Total</b>	<b>100.0</b>

### Asset Allocation %

Continental Shares	56.0
UK Shares	34.0
UK Direct Property	10.0
<b>Total</b>	<b>100.0</b>

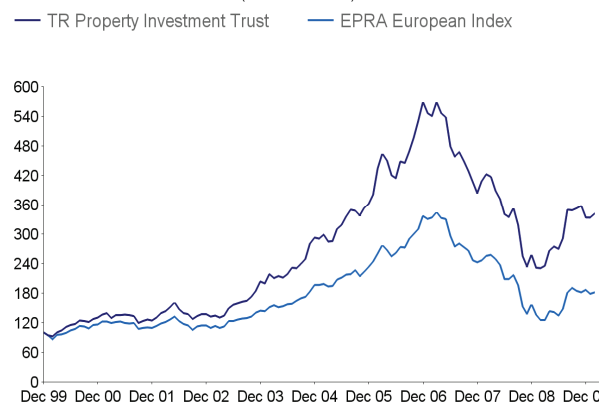
### Sector Allocation %

Industrial	10.4
Offices	34.7
Other	5.7
Residential	12.5
Retail	36.7
<b>Total</b>	<b>100.0</b>

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

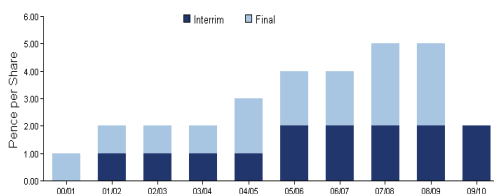
### Fund Performance vs Index 31.12.1999 To 26.02.2010

(rebased to £100)



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\*



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.

### Top 10 Holdings % of net assets

Unibail	15.7
Land Securities	6.7
British Land	4.8
Corio	4.2
Segro	3.5
Klepierre	3.0
Fonciere Des Regions	2.9
Hammerson	2.6
Derwent	2.4
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.

<b>Net Assets (Mn)</b>	£442.4
<b>Net Gearing</b>	-8%
<b>NAV Frequency</b>	Daily
<b>Established</b>	1905
<b>Managed at TRC</b>	Since 01/10/2004
<b>Dealing</b>	Daily (stockmarket)
<b>Listing</b>	London Stock Exchange FTSE 250 Index
<b>Legal Status</b>	UK Investment Trust
<b>Dividends</b>	January, July
<b>Charges</b>	
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

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<b>Stockbroker</b>	Cenkos Securities 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](http://www.nevskycapital.com/pdf/paying_agents.pdf)