

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

It was a poor month for UK property shares and for the Trust, which continues to be overweight in the largest UK property stocks. The net asset value fell by 3.04% while the benchmark fell only 1.82%. The share price declined by 3.9% as the discount widened to 9.9%. January saw the arrival of the long awaited UK REIT regime and its appearance was greeted by substantial correction in the market, driven by a widely held view amongst UK generalist investors and journalists that property cannot continue to outperform and that the actual arrival of REITs marked an ideal selling opportunity. The shock base rate rise on Jan 10 served to push up swap rates and push share prices down further. By mid-month the major UK stock had fallen 8% in a fortnight. In Europe, totally different sentiment prevailed and prices rose steadily across the Continent with particular strength in Austria, Germany and Greece. There were some bright spots in our portfolio – Riofisa rose 20% on receipt of a cash takeover bid at €44, (which compares to our entry price last summer of €18) and we also saw an agreed cash bid for our Foncia holding. We took the opportunity to add modestly to our Slough Estates holding, selling more Metrovacesa in Spain and lightening the Fonciere des Regions holding. We accepted Derwent London's paper for the whole of our London Merchant holding. Reflecting lower values, the Trust's gearing rose slightly from 12.0% to 12.6% and total debt was £118.3m

Fund Performance to 31 Jan 2007

	1 Month	YTD	1 Year	3 Year	5 Year	10 Year	NAV per share	Ordinary Share Price
Ord. Price (total return)	-3.90%	-3.90%	+45.60%	+191.42%	+374.23%	+762.30%	273.61p	246.50p
Ord. Price (capital only)	-3.90%	-3.90%	+43.11%	+172.38%	+317.80%	+552.98%		
NAV (price only)	-3.04%	-3.04%	+42.39%	+170.07%	+283.85%	+543.79%		
S&P Euro Property Index (price only)	-1.82%	-1.82%	+35.41%	+130.85%	+191.49%	+240.80%	Yield 1.46%	Discount 9.91%

Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to the monthly newsletter - Page 26 for monthly / annual return history vs benchmark.

Geographic Allocation (See-Through)

Austria	0.2%
Belgium	1.5%
Central Europe	2.6%
Denmark	0.1%
Finland	1.0%
France	16.2%
Germany	4.2%
Greece	0.4%
Italy	3.5%
Netherlands	2.5%
Portugal	0.1%
Spain	2.4%
Sweden	6.9%
Switzerland	0.5%
UK	56.5%
USA	1.2%
Other	0.3%
Total	100.0%

Asset Allocation

UK Shares	55.8%
Continental Shares	38.0%
UK Direct Property	6.2%
Total	100.0%

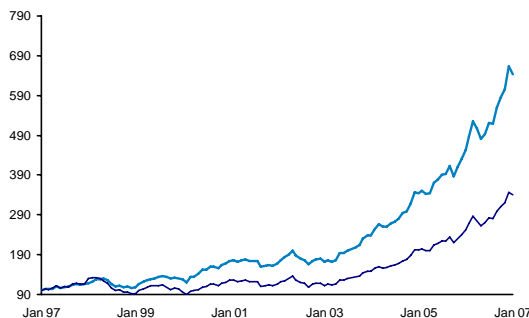
Sector Allocation

Offices	35.5%
Retail	36.3%
Industrial	13.2%
Residential	11.2%
Other	3.8%
Total	100.0%

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

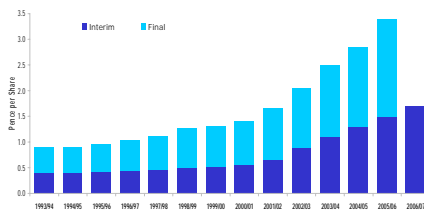
NAV per share Price Performance 31.01.97 (rebased to £100) to 31.01.07

— 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	13.3%
British Land	9.0%
Hammerson	6.1%
Big Yellow Group	5.6%
Slough Estates	5.0%
Rodamco Europe	4.8%
Unibail	4.2%
Fonciere De Regions	3.8%
Liberty International	3.3%
Castellum	3.2%

* 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)	£1,059.1
Gearing	12.6%
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

Thames River Capital LLP

Stockbroker

Cenkos Securities plc

Administrator

BNP Paribas
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Registrar

Computershare Investor Services plc

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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

