

TR Property Investment Trust Ordinary Shares

TR Property Investment Trust plc ■ Closed-ended investment trust - long only pan-European and UK direct property

Manager commentary

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After falling 10% in November and rising 10% in December, pan-European property shares took a much more normal course in January moving within a relatively narrow range. The outliers were Spain and Italy where a newly found appetite for risk saw the local indices outperform sharply, while Q4 favourites, Sweden and Switzerland underperformed. The Ordinary share benchmark index fell 1.56%, the

Ordinary share NAV fell 1.32% and the share price declined 0.42%.

The big property sector news was the Simon Properties withdrawal from their wooing of Capital Shopping Cent.res. That left the latter's shares down 12% on the month - the biggest move amongst the largest stocks in the sector. Otherwise share price movements seemed to echo the outlook for growth (disappointing GDP numbers, but strong service sector Purchase Managers Survey) and for inflation. For a pleasant change, Eurozone finances were not the chief topic of the business news.

The end of the month saw the first of the final results and February will see the bulk of the Sector report.

Indications are that numbers will not surprise greatly, but that dividend growth may be better than expected.

Through December the share class was a net investor for just under £2m. The largest disposal was Prologis Bonds and the largest additions were of Capital Shopping shares (after the Simon departure) and of Deutsche Wohnen in the placing of the Oaktree stake. Debt rose to £42m principally due to payment of the interim dividend.

Fund performance to 31.01.2011 (%)

	Current month	YTD	1 year	3 year	5 year		
NAV (capital only)	-1.32	-1.32	+10.89	-11.44	-2.12	NAV per share (capital only)	188.33p
FTSE EPRA/NAREIT Developed European Index (capital only, GBP)	-1.56	-1.56	+10.62	-20.03	-19.27	Share price	166.70p
Share price	-0.42	-0.42	+10.99	-9.65	-3.22	Discount	11.48%
						Yield	3.45%

Price is month-end mid-price. Source: BNP Paribas, Bloomberg. Refer to back of the monthly newsletter for monthly/annual return history vs benchmark. Historical performances for distribution share classes may vary from previous issues of the Thames River newsletter. 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 (%)

Austria	2.0
Belgium	1.7
Central Europe	2.9
Denmark	0.2
Finland	2.0
France	21.5
Germany	8.5
Greece	0.6
Italy	4.3
Netherlands	2.8
Norway	1.8
Other	0.4
Portugal	0.1
Russia	0.2
Spain	2.1
Sweden	9.3
Switzerland	3.8
UK	35.4
USA	0.4
Total	100.0

Asset allocation (%)

Continental Shares	57.6
UK Shares	34.3
UK Direct Property	8.1
Total	100.0

Sector allocation (%)

	Fund
Industrial	9.5
Offices	35.9
Other	4.7
Residential	10.2
Retail	39.7
Total	100.0

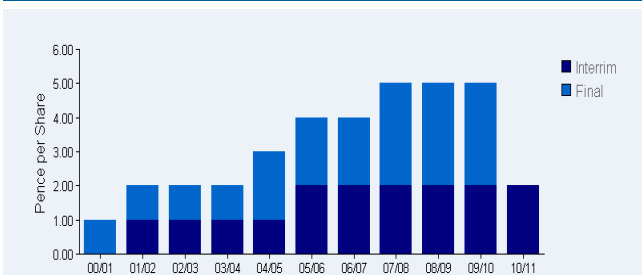
Figures above shown on a look-through basis.

Fund performance 30.12.1999 to 31.01.2011



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 28.02.1996 to 31.01.2011



Prior to 01.09.2001 the benchmark was FTSE Real Estate Index and prior to 01.04.2007 it was the S&P Citigroup European Property Index. Source: BNP Paribas.

Top 10 holdings (%)

Unibail	13.6
Land Securities	6.4
British Land	5.7
Corio	4.2
Klepierre	3.3
Fonciere Des Regions	2.8
Hammerson	2.7
Derwent	2.6
Castellum	2.5
Great Portland	2.4

Key facts

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): £482.5mn

Net gearing: 8.6%

NAV frequency: Daily

Dealing: Daily (stockmarket)

Legal status: UK Investment Trust

Listing: London Stock Exchange

Dividends: January, July

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

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Registrar: Computershare Investor Services plc

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