

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 seems a long time ago, but European Property shares were almost stable for the first two weeks of July with the UK stocks outperforming - aided by desultory share repurchases. However prices had no resistance to the sub-prime storm that broke over global markets after 23 July. Over the month the NAV per share fell 5.76% and this compares to a fall of 7.44% for the benchmark index. The share price fell 4.3%. Rising UK and Euro base rates and wider credit spreads are now seen as a certainty – the uncertainty is what impact they will have on property pricing. In the UK, share prices are discounting a fall in capital values this autumn and through 2008 probably averaging around 12% - but that average figure will be widely different at the individual asset and company NAV level. Whether we see meltdown or muddle-through, good quality well-let commercial property is a defensive asset that rarely ceases to be desirable at an appropriate price even in lunatic markets. It is not toxic waste. The EGM on 24 July approved the creation of the Sigma Share class. As a result, roughly 20% of every asset and liability in the Ordinary Share portfolio was transferred to Sigma as at the close of business on 20 July. The only exception was the direct property, which all stayed in the Ordinary Share portfolio. Ahead and after this event I continued to lighten holdings concentrating on companies exposed to retail and residential property. These sales and the Sigma transaction resulted in net debt falling from £73m to £43m over the month and gearing declined to 6.9%. Directly held UK property rose from 10.5% to 14.3% of the Ordinary Portfolio.

Fund Performance to 31 Jul 2007

	1 Month	YTD	1 Year	3 Year	5 Year	10 Year	NAV per share £233.97	Ordinary Share Price £207.00
Ord. Price (total return)	-4.28%	-18.39%	+4.09%	+110.66%	+272.38%	+554.67%		
Ord. Price (capital only)	-4.28%	-19.30%	+2.22%	+98.79%	+229.88%	+398.80%		
NAV (price only)	-5.76%	-17.09%	+5.50%	+102.71%	+206.24%	+408.19%		
EPRA European Property Index (price only)	-7.44%	-18.56%	+0.15%	+73.20%	+134.64%	+155.56%	Yield 1.98%	Discount 11.53%

Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to the monthly newsletter - Page 33 for monthly / annual return history vs benchmark.

Geographic Allocation (See-Through)

Austria	0.2%
Belgium	1.3%
Central Europe	3.1%
Denmark	0.1%
Finland	1.0%
France	17.1%
Germany	5.5%
Greece	0.4%
Italy	3.2%
Netherlands	2.4%
Norway	0.0%
Portugal	0.1%
Spain	1.2%
Sweden	6.4%
Switzerland	0.5%
UK	57.1%
USA	0.2%
Other	0.3%
Total	100.0%

Asset Allocation

UK Shares	49.7%
Continental Shares	36.1%
UK Direct Property	14.2%
Total	100.0%

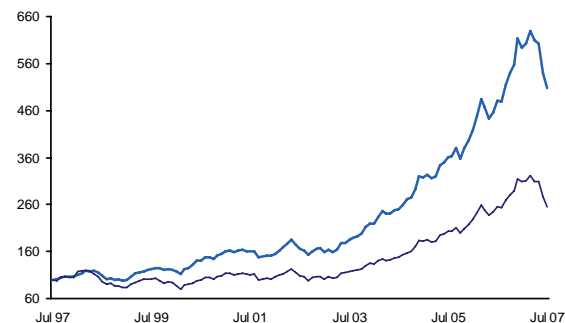
Sector Allocation

Offices	40.5%
Retail	34.8%
Industrial	12.6%
Residential	8.3%
Other	3.8%
Total	100.0%

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

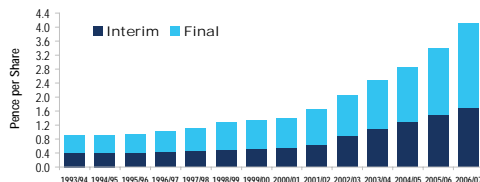
NAV per share Price Performance 31.01.97 (rebased to £100) to 31.07.07

— TR Property Investment Trust plc
— EPRA European Property Index



Note: Prior to September 2001 the benchmark index was FTSE Real Estate Index. Prior to 01/04/07: S&P Citigroup European Property Index
Source: Bloomberg, S&P, EPRA.

Dividend History*



Top 10 Holdings % of net assets

Land Securities	12.1%
Unibail	8.9%
British Land	7.3%
Slough Estates	3.7%
Big Yellow Group	4.0%
Hammerson	3.0%
St Modwen	3.2%
Fonciere de Regions	2.8%
Liberty	2.3%
Castellum	2.6%

*Dividends paid for March/Sep month ends are announced, November/May, paid January/July. Source = BNP Paribas.

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)	£667.9
Gearing	6.91%
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	January, July

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

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

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For a full list of Paying Agents' details, please follow the following links:

http://www.thamesriver.co.uk/pdf/paying_agents.pdf http://www.nevskycapital.com/pdf/paying_agents.pdf

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Bloomberg	TRY LN	Lipper	71000704
Datastream	TRY	Reuters (TRY.L)	TBC
FT (Mex ID)	TRPROP	Sedol	0906409
ISIN	GB0009064097	S&P	090640
		Telekurs	TBC

