

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

After a weak performance in May, real estate stocks became thoroughly rattled by the sharp back-up in US long Treasury Bonds at the beginning of June; while general equity markets recovered their poise later in the month, property stocks ended June without bouncing. Over the month, the NAV fell by a disappointing 10.6% while the benchmark index in Sterling fell 10.4%. The share price, which went ex the 2.4p final dividend on 27 June, fell by 11.01%. Commercial property has taken a pasting in the financial press over the past few weeks as journalists have vied with each other to predict an imminent “slump” in the asset class. The truth is, as usual, less prosaic. Inflation numbers in the UK do not make happy reading and interest rate expectations are rising. This is bound to have an impact on immediate investor demand, even though inflation protection is one of the qualities that draws investors to real estate. Currently, initial yields are rising for secondary retail and industrial property outside the South East, but in London and in parts of the South East rental growth is driving prices higher. On the stock market, the leading UK shares are now trading at 20%+ average discounts to asset value, a rating which already takes account of value declines that have not occurred. During June, shareholders received details of the launch of the new Sigma share class and the EGM to approve this issue will follow on from the AGM on 24 July. Meanwhile, over the month we sold £31m of equities, concentrating our disposals on stock with UK retail and residential exposure. We spent £12m buying back 5.35m shares, bought a £6.8m office building in Milton Keynes with an initial yield of 6.25% and reduced net debt from £86m to £73m.

Fund Performance to 29 Jun 2007

	1 Month	YTD	1 Year	3 Year	5 Year	10 Year	NAV per share	Ordinary Share Price
Ord. Price (total return)	-10.01%	-14.74%	+17.75%	+132.33%	+267.09%	+609.56%	248.28	216.25
Ord. Price (capital only)	-11.01%	-15.69%	+15.64%	+119.25%	+225.19%	+442.25%		
NAV (price only)	-10.60%	-12.02%	+18.49%	+117.07%	+209.96%	+447.23%		
S&P Euro Property Index (price only)	-10.40%	-12.02%	+13.30%	+88.13%	+140.30%	+187.08%	Yield 1.90%	Discount 12.9%

Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to the monthly newsletter - Page 28 for monthly / annual return history vs benchmark.

Geographic Allocation (See-Through)

Belgium	1.2%
Central Europe	2.7%
Finland	1.0%
France	20.9%
Germany	5.2%
Greece	0.4%
Italy	3.1%
Netherlands	1.3%
Portugal	0.1%
Spain	0.5%
Sweden	6.2%
Switzerland	0.4%
UK	56.5%
USA	0.2%
Other	0.3%
Total	100.0%

Asset Allocation

UK Shares	52.1%
Continental Shares	37.5%
UK Direct Property	10.4%
Total	100.0%

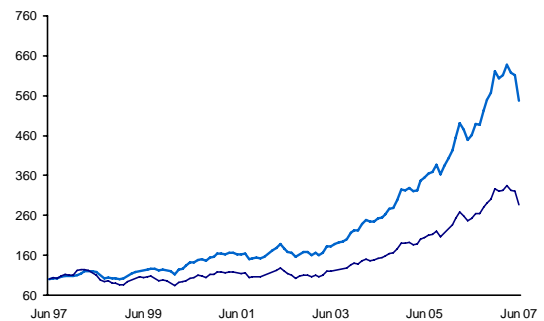
Sector Allocation

Offices	40.3%
Retail	32.5%
Industrial	12.1%
Residential	9.5%
Other	5.6%
Total	100.0%

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

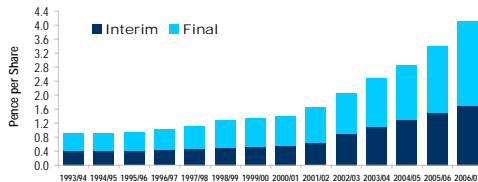
NAV per share Price Performance 29.06.97 (rebased to £100) to 29.06.07

— 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	11.6%
Unibail	8.6%
British Land	7.7%
Slough Estates	3.9%
Big Yellow Group	3.7%
Hammerson	3.3%
St Modwen	2.9%
Fonciere De Regions	2.7%
Liberty	2.7%
Castellum	2.5%

*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)

£898.0
Gearing 9.1%
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

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

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Registrar

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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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NPB New Private Bank Ltd 33 Limmatquai 122 P.O. Box CH-8022 Zurich Switzerland	Charts Invst Mgt Services Ltd 18A Third Floor Europa Centre Floriana Malta	BNP Paribas Securities Services, Luxembourg Branch 33, rue de Gasperich Howald - Hesperange L-2085 Luxembourg

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Prices available from:

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

