



# TR PROPERTY INVESTMENT Trust

(TR Property Investment Trust plc) *Closed-ended investment trust*

LONG ONLY PAN EUROPEAN EQUITY AND UK DIRECT PROPERTY

## Manager Commentary – by Chris Turner

An increase in the negative news from the banking industry made June another wretched month for global property shares - with double digit percentage falls in all major world real estate indices. Lending spreads continue to widen and, more importantly, loan to value limits continue to fall. The effect of such moves can be readily seen in the UK residential market, but will apply also to commercial markets, and particularly in some Continental European countries, where, until recently, the credit crunch was seen as a purely Anglo-Saxon problem. The Ordinary share class benchmark fell 11.98%, the NAV fell 9.9% and the share price declined 8.6%. The largest declines (of over 20%) were seen in stocks with high leverage and or exposure to residential markets, but sentiment spilt over into the safest stocks on the thought that the heightened potential for forced selling will drive real estate values down further than previously forecast. Timescales for recovery have also been extended. Activity in the equity portfolio remained heavily on the sell side. We raised £16m from disposals principally in Germany and Sweden and invested under £1m. Cash in hand rose to £67m, and adjusting for the outstanding Debentures and for the final dividend to be paid at the end of July, net cash was £27m or 5.2% of total assets. Meanwhile we had some good news in our direct property portfolio where we agreed a substantial (75%) uplift in the rent on our supermarket in Bayswater as part of the deal to allow the assignment of the property to Waitrose.

### Fund Performance to 30 Jun 2008

|   | 1 Month | YTD     | 1 Year  | 3 Year  | 5 Year   | 10 Year  | NAV per share | Ordinary Share Price |
|---|---------|---------|---------|---------|----------|----------|---------------|----------------------|
| Ord. Price (total return)                 | -8.62%  | -11.13% | -27.98% | +12.52% | +141.02% | +331.59% | 180.38p       | 153.75p              |
| Ord. Price (capital only)                 | -8.62%  | -11.13% | -28.90% | +6.96%  | +118.46% | +228.88% |               |                      |
| NAV (price only)                          | -9.87%  | -13.12% | -27.35% | +11.87% | +119.07% | +237.66% |               |                      |
| EPRA European Property Index (price only) | -11.98% | -14.08% | -29.58% | -1.44%  | +69.50%  | +82.38%  | Yield 3.64%   | Discount 17.91%      |

Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to the monthly newsletter - Page 35 for monthly / annual return history vs benchmark.

### Geographic Allocation % (Look-Through)

|                |              |
|----------------|--------------|
| Austria        | 0.3          |
| Belgium        | 1.6          |
| Central Europe | 3.6          |
| Denmark        | 0.1          |
| Finland        | 0.7          |
| France         | 20.6         |
| Germany        | 3.0          |
| Greece         | 0.5          |
| Italy          | 3.4          |
| Netherlands    | 3.3          |
| Portugal       | 0.1          |
| Russia         | 0.8          |
| Spain          | 1.7          |
| Sweden         | 6.7          |
| Switzerland    | 0.6          |
| UK             | 52.6         |
| USA            | 0.1          |
| Other          | 0.3          |
| <b>Total</b>   | <b>100.0</b> |

### Asset Allocation %

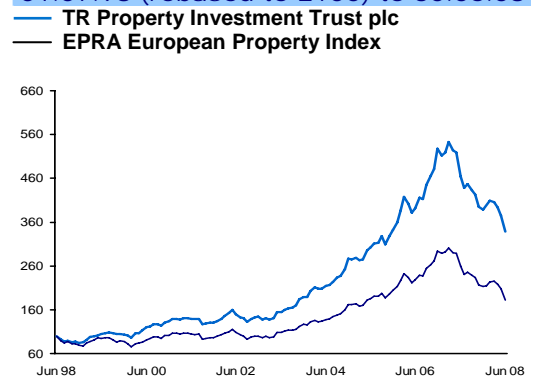
|                    |              |
|--------------------|--------------|
| UK Shares          | 39.4         |
| UK Direct Property | 14.3         |
| Continental Shares | 38.6         |
| Cash               | 7.7          |
| <b>Total</b>       | <b>100.0</b> |

### Sector Allocation %

|              |              |
|--------------|--------------|
| Offices      | 39.2         |
| Retail       | 37.6         |
| Industrial   | 14.6         |
| Residential  | 4.4          |
| Other        | 4.2          |
| <b>Total</b> | <b>100.0</b> |

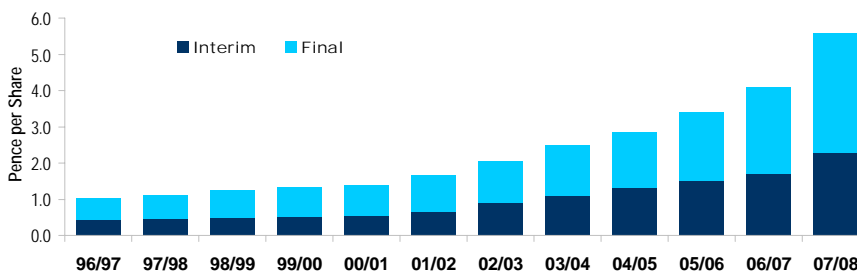
Note: figures above shown on a look-through basis.

### NAV per share Price Performance 01.07.98 (rebased to £100) to 30.06.08



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: Northern Trust IFAS (Ireland) Ltd, Bloomberg, S&P, EPRA.

### Dividend History\*



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

### Top 10 Holdings % of net assets

|                     |      |
|---------------------|------|
| Unibail             | 13.0 |
| Land Securities     | 11.2 |
| British Land        | 5.0  |
| Segro               | 3.2  |
| Fonciere de Regions | 3.0  |
| Hammerson           | 2.9  |
| Big Yellow Group    | 2.6  |
| Castellum           | 2.4  |
| Klepierre           | 2.3  |
| Corio               | 1.9  |

### 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)

£514.2

### Net Gearing

-5.2%

### 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

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

Centos Securities plc

### Administrator

BNP Paribas

c/o Nicola Williamson, TRC

Tel: +44 (0)20 7360 1335

Email: nwilliamson@thamesriver.co.uk

### Registrar

Computershare Investor Services plc

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[http://www.nevskycapital.com/pdf/paying\\_agents.pdf](http://www.nevskycapital.com/pdf/paying_agents.pdf)

### For further information please contact:

Nicola Williamson on +44 (0)20 7360 1335 or [nwilliamson@thamesriver.co.uk](mailto:nwilliamson@thamesriver.co.uk)

### Prices available from:

|             |              |
|-------------|--------------|
| Bloomberg   | TRY LN       |
| Datastream  | TRY          |
| FT (Mex ID) | TRPROP       |
| ISIN        | GB0009064097 |
| Lipper      | 71000704     |

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| Tass            | -         |
| Reuters page    | TRY.L     |
| Sedol           | 0906409   |
| S&P/Morningstar | 090640    |
| Telekurs        | CH2719343 |

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