

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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Whilst the NAV (with income) of the share class rose +1.33% in the month, all the gains were made in the last week with the index rising 4.6% between 24th and 30th June after a dismal previous three weeks. Once again, the villain of the piece was eurozone sovereign debt concerns. Whilst Greece is once again at the epicentre, it is not the core of the issue. The central concern for markets is the contagion resulting from the losses incurred by other eurozone banks if Greece was to default. For a leveraged asset class such as real

estate, the ability of banks to lend is critical and any impairment is an issue. A characteristic of such 'risk off' periods is that the stock performance in our universe becomes very top down driven and the spread of regional / country performance widens. Not surprisingly, the UK, France, Germany, Switzerland and Norway were the regional outperformers. The UK was the top performer (in local currency terms) powered by strong performance from the London focused and large cap stocks. The relief felt (post the Greek double vote) translated into a 6% rally in the UK stocks. This helped performance for the Fund.

All the Swedish stocks suffered very poor performance early in the month falling over 7.5% before recovering slightly to end the month down 'only' -4.3% (in SEK). This performance was in line with broader Swedish equities, and reflected the concerns of a global

slowdown on an export driven country. Rising base rates (the highest in Europe) will also limit earnings growth on businesses with high levels of floating rate debt.

Whilst the Fund was a slight net disinvestor in the first half of the month, we did participate in a small German office investment company IPO, Prime, in the second half of the month investing £1.5m. Initially mispriced (at a range of €7-9 per share), it was withdrawn and reoffered at €6.2 per share. At a 30% discount to NAV the issue price is an attractive entry point into offices in Germany's four largest cities.

Gearing remains modest at 5.5% and the shares go 'ex div' (of 3.7p) on 6th July, payable on 2nd August.

Fund performance to 30.06.2011 (%)

	Current month	YTD	1 year	3 year	5 year		
NAV (capital only)	+1.02	+12.99	+41.01	+19.55	+2.91	NAV per share (capital only)	215.64p
FTSE EPRA/NAREIT Developed European Index (capital only, GBP)	+0.94	+10.30	+38.00	+5.84	-15.55	Share price	200.20p
Share price	-0.40	+19.59	+44.13	+30.21	+7.06	Discount	7.16%
						Yield	2.87%

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	1.70
Belgium	1.80
Central Europe	2.60
Denmark	0.20
Finland	1.90
France	21.40
Germany	8.70
Greece	0.10
Italy	5.10
Netherlands	2.90
Norway	1.70
Other	0.50
Portugal	0.20
Russia	0.10
Spain	2.10
Sweden	10.10
Switzerland	4.00
UK	34.60
USA	0.30
Total	100.00

Asset allocation (%)

UK Direct Property	7.32
Continental Shares	57.84
UK Shares	34.85
Total	100.00

Sector allocation (%)

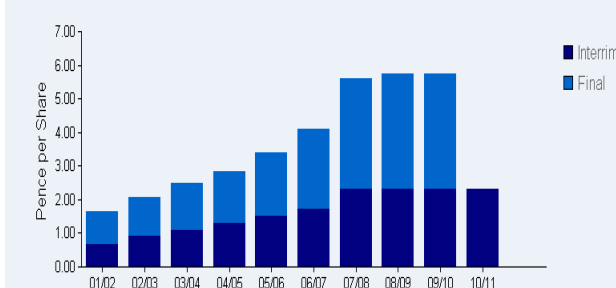
	Fund
Industrial	9.15
Offices	36.72
Other	5.43
Residential	8.05
Retail	40.65
Total	100.00

Figures above shown on a look-through basis.

Fund performance 30.12.1999 to 30.06.2011



Dividend history 28.02.1996 to 30.06.2011



Top 10 holdings (%)

Unibail	14.4
Land Securities	7.7
British Land	6.0
Corio	3.9
Klepierre	3.4
Hammerson	2.7
Derwent	2.7
Fonciere Des Regions	2.6
Castellum	2.3
Great Portland	2.3

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): £552.5mn

Net gearing: 5.53%

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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