

# TR PROPERTY Investment Trust

(TR Property Investment Trust plc)

LONG ONLY UK DIRECT PROPERTY AND INTERNATIONAL EQUITY

\*Closed-ended investment trust

## Fund Performance to 31 Mar 2006

<b>NAV per share</b>	<b>Ordinary Share Price</b>
223.08	209.50
<b>Yield</b>	<b>Discount</b>
1.46%	6.09%

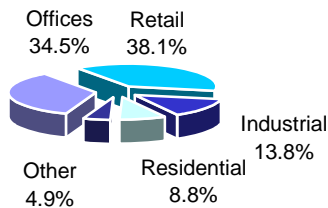
<b>Ordinary Price (total return)</b>	1 Month	YTD	1 Year	3 Year	5 Year	10 Year
	+6.8%	+28.1%	+66.3%	+283.3%	+312.6%	+892.1%
<b>Ordinary Price (price only)</b>	+6.8%	+28.1%	+63.0%	+255.8%	+259.7%	+635.1%
<b>NAV (price only)</b>	+7.8%	+22.0%	+53.2%	+205.5%	+204.8%	+533.8%
<b>S&amp;P Euro Property Index (price only)</b>	+6.4%	+18.8%	+43.3%	+152.6%	+132.7%	+256.8%

Note: Price is month-end mid price. Source: Datastream, Bloomberg.

## Asset Allocation

UK Shares	56%
Continental Shares	37%
UK Direct Property	7%
<b>Total</b>	<b>100%</b>

## Sector Allocation



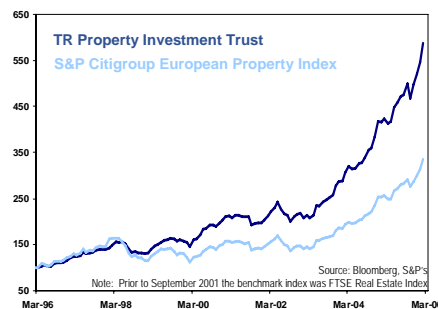
Note: above figs are shown on a look-through basis.

## Geographic Allocation

Austria	0.2%
Belgium	1.7%
Central Europe	1.5%
Denmark	0.1%
Finland	0.6%
France	15.7%
Germany	1.5%
Greece	0.3%
Ireland	0.0%
Italy	3.1%
Netherlands	2.7%
Norway	0.0%
Portugal	0.0%
Spain	4.9%
Sweden	7.9%
Switzerland	0.5%
UK	57.8%
USA	1.4%
Other	0.0%
<b>Total</b>	<b>100.0%</b>

## NAV per share Performance

28.02.96 (rebased to £100) to 31.03.06



## Top Ten Holdings\*

Land Securities	14.6%
British Land	8.8%
Hammerson	6.9%
Slough Estates	5.4%
Rodamco Europe	5.0%
Big Yellow Group	4.3%
Castellum	4.2%
Liberty International	4.0%
St Modwen	4.0%
Unibail	3.3%

\* % of net assets

## Adviser Commentary

March saw a further strong advance in European property share prices capping off an excellent first quarter. The Trust also benefited, at the end of the month, from the half yearly external revaluation of our direct properties. This produced a gain of around 10% (£6m) over the September 2005 values.

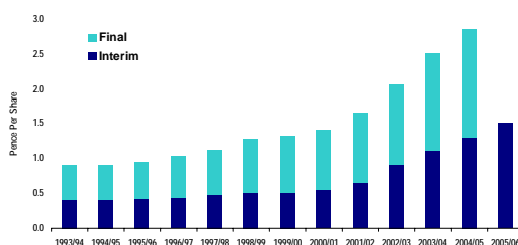
The major news in the month was the introduction of UK REITs in the budget. Many in the industry, including ourselves, had voiced concern over the commercial viability of the preliminary terms announced last December. In the event, the details announced in the Budget included a number of important changes and the entry fee, at 2% of gross assets, is not expected to be seen as barrier by any of the major UK companies. Some details still need further clarification and will be subject to further industry lobbying, but overall the announcement was significantly more robust than we anticipated.

UK property shares greeted the REIT terms with an 8% rise on Budget day. By the end of March they had lost half the gain and by Easter week they were back to their pre-budget price levels. So was it really a damp squib? We don't think so. We believe the entry costs are a very modest expense when set against the removal of existing and future gains tax liabilities and, inside a REIT structure, UK property companies will be able to adjust their investment policies to greatly benefit future asset and dividend growth. We are retaining our overweight in the UK sector.

P.S. We are regularly asked if TR property intends to become a REIT. The answer is no, firstly because, costs aside, we should only qualify as a REIT if over 75% of our assets were physical property, and secondly because our investment trust status already gives us freedom from capital gains tax.

Chris Turner

## Dividend History



## Fund Objective

The investment objective of the trust is to maximise total returns by investing in international equities and UK direct property, focusing on long term capital and income growth.

## Charges

Initial Charge	nil
Management Fee	0.70% of net assets p.a.
Performance Fee	15% of outperformance of benchmark plus 2% hurdle

## Gross Total Assets (Mln)

<b>Gearing</b>	£864.9
<b>Established</b>	12.8%
<b>Managed at TRC</b>	1905
<b>Dealing</b>	since 1 October 2004
<b>NAV Frequency</b>	Daily (Stockmarket)
<b>Legal Status</b>	Daily
<b>Listing</b>	UK Investment Trust
	London Stock Exchange
	FTSE 250 Index
<b>Dividends</b>	January, July

## Investment Manager

Thames River Capital LLP
Stockbroker
UBS Investment Bank
Administrator
BNP Paribas
Tel: +44 (0) 845 358 1113
Registrar
Computershare Investor Services PLC



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### **Fur further information please contact:**

**Vanessa Lawley on +44 (0)20 7360 1272 or [vlawley@thamesriver.co.uk](mailto:vlawley@thamesriver.co.uk)**

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