



TR PROPERTY INVESTMENT Trust

Ordinary Shares

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

LONG ONLY PAN EUROPEAN EQUITY AND UK DIRECT PROPERTY

Manager Commentary – by Chris Turner

Pan European property stocks started the month strongly, rising 8% in the first week in a continuation of April's rally, with UK stocks again in the lead. The romp came to an abrupt halt in the second week when a combination of the BOE inflation forecasts and Land Securities final results took the UK sector down 10% in a day, from which it only partially recovered during the rest of the month. On the Continent pricing was less volatile, but rights issues from Great Portland, Shaftesbury, Sponda and Befimmo were a reminder that, at current price levels, managements will continue to be opportunist in their search to bolster balance sheets. During the month the Ordinary share benchmark in Sterling fell 1.2%. The Ordinary class NAV rose 0.73% and the share price increased by 1.15%.

Though the final results from Land Securities and British Land were not far from expectations, share prices are well up with events given managements' continued emphasis on caution and an absence of fresh strategy. As a result investor enthusiasm switched to well financed medium and small companies and Max Property successfully floated at a premium to NAV (we took stock here). Brixton rallied on an approach from Segro which hopefully will not involve ego overcoming reality.

The Trust's final results for the year to end March 2009 were reported on 27 May and the announcement is available on the Trust's website. Over the month gross cash declined from £52m to £46m chiefly as a result of further rights issue take-up. Net cash (adjusting for debt and the final dividend) declined from £31m to £25m. Over the month I continued to be worried that stock pricing is paying too little attention to future cash flow problems caused by declining rental values and that the problem of the banks debt is being ignored in the outlook for asset pricing.

Fund Performance to 29 May 2009

| | 1 Month | YTD | 1 Year | 3 Year | 5 Year | 10 Year | NAV per share | Ordinary Share Price |
|---|---------|---------|---------|---------|---------|----------|---------------|----------------------|
| Ord. Price (total return) | +3.13% | +6.68% | -23.13% | -29.05% | +48.00% | +272.59% | 136.93p | 123.75p |
| Ord. Price (capital only) | +3.13% | +6.68% | -26.45% | -34.87% | +29.92% | +181.25% | | |
| NAV (price only) | +0.73% | -7.53% | -31.58% | -32.93% | +23.35% | +152.64% | | |
| EPRA European Property Index (price only) | -1.21% | -10.13% | -40.47% | -44.54% | -7.76% | +29.45% | Yield 4.53% | Discount 13.79% |

Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to the monthly newsletter – Page 32 for monthly / annual return history vs benchmark.

Geographic Allocation % (Look-Through)

| | |
|----------------|--------------|
| Austria | 0.4 |
| Belgium | 2.4 |
| Central Europe | 2.9 |
| Denmark | 0.4 |
| Finland | 1.2 |
| France | 26.1 |
| Germany | 1.9 |
| Greece | 0.8 |
| Italy | 4.0 |
| Netherlands | 4.4 |
| Portugal | 0.1 |
| Russia | 0.7 |
| Spain | 2.6 |
| Sweden | 6.7 |
| Switzerland | 0.8 |
| UK | 43.7 |
| USA | 0.6 |
| Other | 0.4 |
| Total | 100.0 |

Asset Allocation %

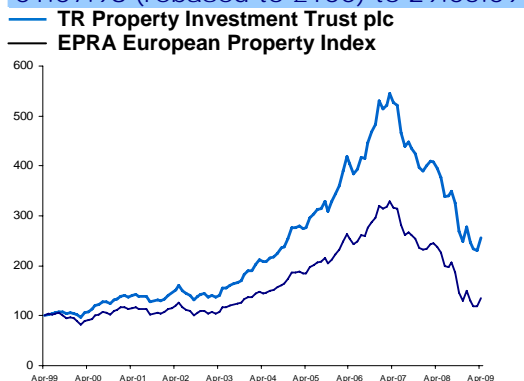
| | |
|--------------------|--------------|
| UK Shares | 32.5 |
| UK Direct Property | 12.9 |
| Continental Shares | 44.7 |
| Cash | 9.8 |
| Total | 100.0 |

Sector Allocation %

| | |
|--------------|--------------|
| Offices | 37.0 |
| Retail | 41.3 |
| Industrial | 13.4 |
| Residential | 4.8 |
| Other | 3.5 |
| Total | 100.0 |

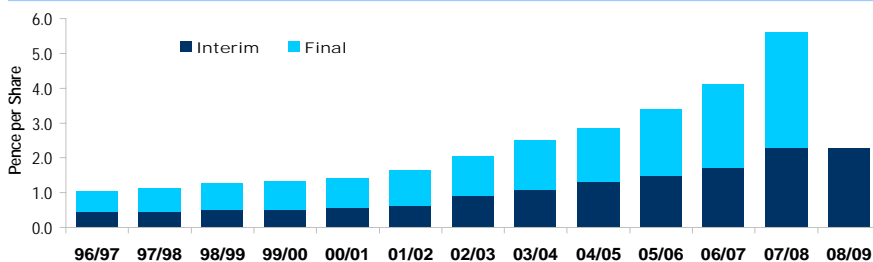
Note: figures above shown on a look-through basis.

NAV per share Price Performance 01.07.98 (rebased to £100) to 29.05.09



Note: Prior to 01.09.01 the benchmark was FTSE Real Estate Index and prior to 01.04.07 it was the S&P Citigroup European Property Index Source: BNP Paribas, 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 | 17.4 |
| Land Securities | 8.1 |
| British Land | 5.6 |
| Corio | 4.4 |
| Segro | 4.0 |
| lcade | 3.2 |
| Klepierre | 2.7 |
| Hammerson | 2.7 |
| Big Yellow | 2.6 |
| Great Portland | 2.5 |

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)

| | |
|-----------------|--|
| Net Assets (Mn) | £366.3 |
| Net Gearing | -15% |
| 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 |

Investment Manager

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 Cenkos Securities plc
Administrator
 BNP Paribas
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http://www.nevskycapital.com/pdf/paying_agents.pdf

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Prices available from:

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

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