

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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Pan-European real estate equities fell by 5.2% in the month. On the face of it - not a good month. However, this figure reflected a remarkable change in investor sentiment in the last week of the month. From 1 - 25 November, real estate equities were down nearly 14%, only to stage a 9% recovery in the last five days of the month. November was the mirror image of October (which saw 3 weeks of 'risk-on' with a 13% rally, followed by a correction in the last five days). Markets remain sentiment driven, overshadowed by the next 'noise' on the eurozone political landscape. After the mild euphoria in the run up to the summit on 27 October, November saw investors focus on the lengthy

timetable that any political solution by the 17 member states would require. Markets danced to a faster beat and the crisis in Italy pushed 2-yr sovereign debt yields to over 7% - an unsustainable level. Whilst Greece is peripheral, Italy is not. As we enter December, there appears to be renewed political momentum and coordination of response between Germany and France - the decision makers. Our strategy remains bottom-up with the focus on positioning the Fund for an enhanced period of economic slowdown across Europe - our best case scenario. All is not doom and gloom, however, equity repricing has resulted in the sector offering earnings yields of 6.75% with dividend yields of 5.5%, all covered and rising. Discounts to current NAV are now in excess of 15%.

Unsurprisingly, the Italian stocks, Beni Stabili and IGD were both hit hard, falling 28% and 26.8% respectively. Such is their volatility they recovered 14% and 10% in the first week of December. In a 'risk-off' period, once again the Swiss (-3%) and Belgium (-0.4%) companies outperformed, falling far less than the broader property

equity market. Whilst the Fund is underweight both Switzerland and Belgium, it is overweight the UK stocks on grounds of both valuation and currency. The UK stocks outperformed falling -2.2%. The weakest performer of the large caps was Segro which fell 7.6%, mainly on the expectation that a change in strategy would result in a large scale sales programme. Grainger was the top performer (+30%) announcing that it completed its refinancing (£0.9bn). Whilst good news, the increased interest bill will lead to reduced earnings.

In Germany, Deutsche Wohnen completed a 1 for 4 rights issue at €9.1 per share; we took up our rights and remain overweight German residential property through Deutsche Wohnen, GSW and TAG. The Fund was a small net seller over the month. The largest purchase was the rights issue take-up.

Fund performance to 30.11.2011 (%)

	Current month	YTD	1 year	3 year	5 year		
NAV (capital only)	-6.19	-12.42	-2.96	+26.24	-35.00	NAV per share (capital only)	167.15p
FTSE EPRA/NAREIT Developed European Index (capital only, GBP)	-5.50	-12.70	-3.48	+27.48	-43.68	Share price	152.50p
Share price	-9.76	-8.90	-1.55	+45.24	-36.39	Discount	8.80%
						Yield	3.93%

Price is month-end mid-price. Source: BNP Paribas, Bloomberg. Refer to back of the monthly newsletter for monthly/annual return history and dividends.

Geographic allocation (%)

Austria	1.1
Belgium	1.6
Central Europe	3.2
Denmark	0.2
Finland	1.7
France	21.7
Germany	6.2
Italy	6.4
Netherlands	3.2
Norway	2.0
Other Overseas	0.6
Portugal	0.2
Russia	0.1
Spain	2.2
Sweden	9.1
Switzerland	2.9
UK	37.3
USA	0.3
Total	100.0

Asset allocation (%)

Continental Shares	55.0
UK Shares	34.2
UK Direct Property	10.8
Total	100.0

Sector allocation (%)

	Fund
Industrial	9.6
Offices	37.4
Other	5.6
Residential	5.0
Retail	42.4
Total	100.0

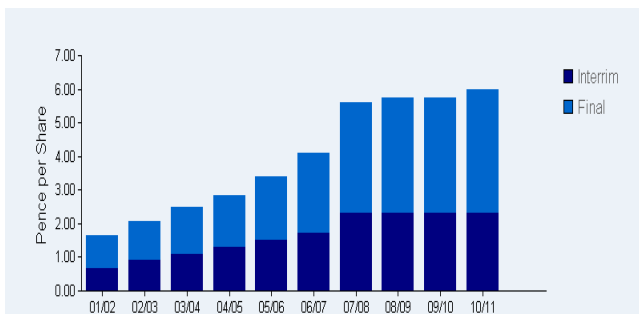
Figures above shown on a look-through basis.

Fund performance 28.02.1996 to 30.11.2011



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 28.02.2001 to 30.11.2011



Prior to 01.09.2001 the benchmark was FTSE Real Estate Index and prior to 01.04.2007 it was the S&P Citigroup European Property Index. Source: BNP Paribas.

Top 10 holdings (%)

UNIBAIL-RODAMCO	14.6
LAND SEC GRP	8.3
BRITISH LAND	4.9
HAMMERSON	4.4
CORIO	4.1
KLEPIERRE	3.0
DERWENT LONDON	2.9
SEGRO	2.3
CASTELLUM	2.2
GSW IMMOBILIEN	2.2

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): £428.3mn

Net gearing: 10.6%

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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