



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

Through October and into November, European property shares have been testing new lows almost every day. Dealers are trying to find a pricing level at which generalist investors will smell so much value that they can no longer resist temptation – and unfortunately it's the catarrh season. The background news flow from the companies remains generally solid but the market is in that mood where all news is bad news. The problem is a pricing issue, not (yet) a fundamental issue. With little over-development and low risk of sky-high interest rates, the fundamental that could hurt most is probably a sharp and sustained rise in UK unemployment. That will hurt tenant demand and rental values, bash house prices and retail sales and adversely affect the economy and the stock market. Back to the present, the cause of the current slide is the news that banks across Europe are withdrawing their willingness to lend on commercial deals on all but ultra-safe terms. This hurts the Continent as much as the UK. Price falls in commercial property are now a reality and the question is how fast and how far. UK property stocks generally have low and stable leverage so their average 37% discount to NAV may imply that property values have another 20%+ to fall. Such a fall will take average initial yields in the UK from 4.7% to 5.6% and equivalent yields from 5.6% to 6.7%. This looks cheap in the context of the last three years but maybe bargain hunters will want more. It is hard to draw lines in the sand under these conditions. For us and for the shareholders these are frustrating times. During October the benchmark fell 2.51%, with the UK down 3.75%. The Trust's NAV declined 2.34% and the share price dropped by 4.43% as the discount to NAV widened. The major disposal was of the Slough office building, ThamesCentral, which was sold for £18.5m cash (equal to September valuation and ahead of March valuation and an exit yield of 5.5%). The proceeds on deposit raise our cash holdings to around £30m, so, taking in account the outstanding debentures of £32m, the Trust has virtually no net debt. The proceeds of other sales are being used in part to repurchase shares. We bought back 1.65m in October and continue to nibble away in November. The interim figures will be released on Wednesday 21 November and can be viewed on the website.

Fund Performance to 31 Oct 2007

	1 Month	YTD	1 Year	3 Year	5 Year	10 Year	NAV per share £225.82	Ordinary Share Price 194.00
Ord. Price (total return)	-4.43%	-23.52%	-12.11%	+82.55%	+263.48%	+509.88%		
Ord. Price (capital only)	-4.43%	-24.37%	-13.68%	+72.83%	+221.99%	+361.90%		
NAV (price only)	-2.34%	-19.98%	-9.31%	+78.34%	+205.37%	+358.98%		
EPRA European Property Index (price only)	-2.51%	-20.80%	-11.25%	+54.77%	+138.66%	+132.47%	Yield 2.11%	Discount 14.09%

Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to the monthly newsletter - Page 33 for monthly / annual return history vs benchmark.

Geographic Allocation (Look-Through)

Austria	0.2%
Belgium	1.3%
Central Europe	3.2%
Denmark	0.1%
Finland	0.9%
France	16.7%
Germany	4.4%
Greece	0.4%
Italy	2.9%
Netherlands	2.6%
Portugal	0.1%
Russia	0.4%
Spain	1.4%
Sweden	6.9%
Switzerland	0.5%
UK	57.7%
USA	0.1%
Other	0.2%
Total	100.0%

Asset Allocation

UK Shares	46.6%
Continental Shares	38.5%
UK Direct Property	14.9%
Total	100.0%

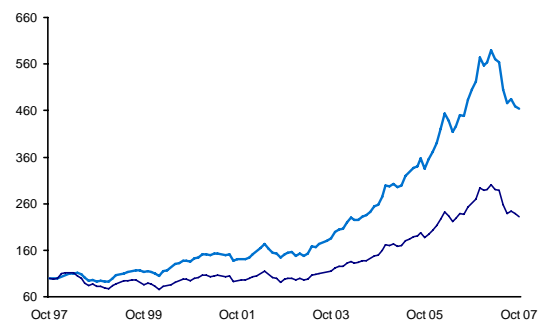
Sector Allocation

Offices	40.3%
Retail	32.5%
Industrial	12.1%
Residential	9.5%
Other	5.6%
Total	100.0%

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

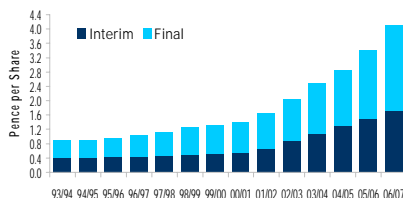
NAV per share Price Performance 31.10.97 (rebased to £100) to 31.10.07

— TR Property Investment Trust plc
— EPRA European Property Index



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: Bloomberg, S&P, EPRA.

Dividend History*



Top 10 Holdings % of net assets

Land Securities	11.6%
Unibail	8.6%
British Land	7.7%
Slough Estates	3.9%
Big Yellow Group	3.7%
Hammerson	3.3%
St Modwen	2.9%
Fonciere De Regions	2.7%
Liberty	2.7%
Castellum	2.5%

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

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.

Gross Total

Assets (Mn)	£621.4
Gearing	5.50%
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

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

Cenkos Securities plc

Administrator

BNP Paribas
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Registrar

Computershare Investor Services plc

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Potential investors should follow the links below for information on any current side letters relating to the schemes.
<http://www.thamesriver.co.uk/downloads/disclosures.htm> <http://www.nevskycapital.com/downloads/disclosures.htm>

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For a full list of Paying Agents' details, please follow the following links: http://www.thamesriver.co.uk/pdf/paying_agents.pdf
http://www.nevskycapital.com/pdf/paying_agents.pdf

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Prices available from:

Bloomberg	TRY LN	Lipper	71000704
Datastream	TRY	Reuters (TRY.L)	TBC
FT (Mex ID)	TRPROP	Sedol	0906409
ISIN	GB0009064097	S&P	090640
		Telekurs	TBC

