

# 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

A flat month for property shares overall, but inter-month pricing swung between plus 5% and minus 4%, as global economic data veered from weak to strong and vice-versa. Background property market news was positive with plenty of stories in the UK of frustrated buyers pushing up pricing and widening their buying criteria to include less prestigious buildings and income from short leases. Individual stock performance had no clear trend; big stocks generally outperformed for once with both Unibail and Land Securities rising over 5%. But British Land underperformed after it confirmed longstanding rumours of the sale of a 50% interest in the Broadgate estate. Such sales are no longer seen as good news – the market wants those companies who have had rights issues to invest some of their cash, not add to the pile. A return to decent short term NAV growth is now well discounted in UK property share prices and is starting to impact Continental pricing. We think the Q1 2010 round of NAV results will be better than current forecasts. The 2010 concern is going to be on earnings and dividends, as tenant demand show little sign of any upturn as yet and cash flow growth is still hard to foresee. The Ordinary Share NAV declined 0.62%, the share price rose 1.27% and the share class benchmark fell 0.42%. Over the month I spent some £12m net on equities including reopening an investment in Songbird when the rights rump was placed. Net debt at the month end was £20m equivalent to gearing of 4.4%.

### Fund Performance to 30 Oct 2009

	1 Month	YTD	1 Year	3 Year	5 Year	10 Year	NAV per share	Ordinary Share Price
Ord. Price (total return)	+1.27%	+40.99%	+45.30%	-21.56%	+62.92%	+370.14%	175.24p	159.00p
Ord. Price (capital only)	+1.27%	+37.07%	+38.26%	-29.25%	+41.65%	+251.38%		
NAV (price only)	-0.62%	+18.34%	+22.26%	-29.63%	+38.40%	+215.52%		
EPRA European Property Index (price only)	-0.42%	+17.35%	+20.51%	-38.69%	+6.91%	+85.99%	Yield 3.52%	Discount 9.27%

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

### Geographic Allocation % (Look-Through)

Austria	1.3
Belgium	5.7
Central Europe	2.1
Denmark	0.1
Finland	1.6
France	19.2
Germany	3.2
Greece	0.7
Italy	22.5
Netherlands	3.2
Portugal	0.1
Russia	0.3
Spain	2.0
Sweden	5.9
Switzerland	0.8
UK	30.6
USA	0.4
Other	0.3
<b>Total</b>	<b>100.0</b>

### Asset Allocation %

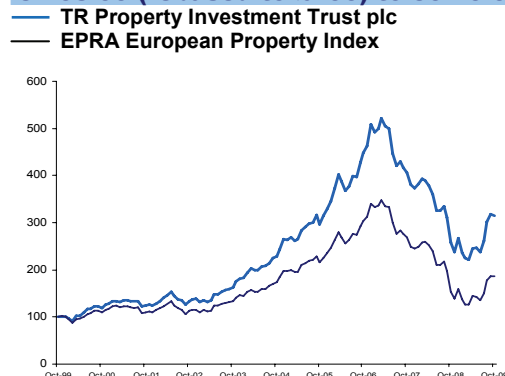
UK Direct Property	10.0
Continental Shares	54.7
UK Shares	35.3
<b>Total</b>	<b>100.0</b>

### Sector Allocation %

Offices	43.0
Retail	35.3
Industrial	9.2
Residential	8.9
Other	3.6
<b>Total</b>	<b>100.0</b>

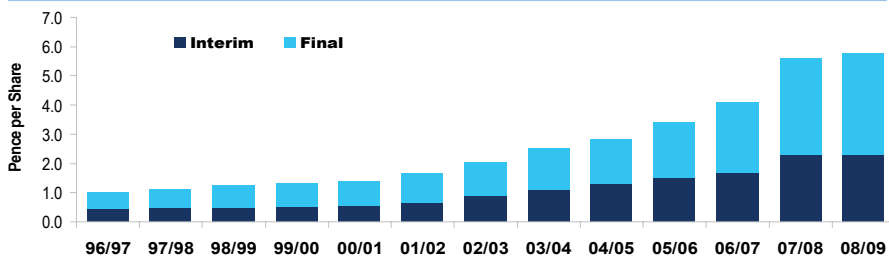
Note: figures above shown on a look-through basis.

### NAV per share Price Performance 31.08.99 (rebased to £100) to 30.10.09



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	16.8
Land Securities	7.0
British Land	4.7
Corio	4.3
Segro	4.0
Klepierre	3.1
Fonciere Des Regions	2.8
Hammerson	2.7
Icade	2.5
Derwent	2.3

### 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)** £459.8  
**Net Gearing** -4.4%  
**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  
January, July

**Dividends**  
**Charges**  
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

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Cenkos Securities plc

**Administrator**  
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**Registrar**  
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