

TR Property Investment Trust Sigma Shares

TR Property Investment Trust plc ■ Closed-ended investment trust - long only pan-European small cap property equities

Manager commentary

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Small Cap Pan European real estate stocks fell 6.95% (in GBP) in capital terms in the month, almost eradicating the 7.1% gains made over the first quarter. No sooner has the real estate sector clawed itself into positive territory year to date than a macro economic driven wave of risk aversion swept all aside. The total return figure for the month was slightly better at -6.00% which reflected the quantum of dividends paid in the month. At the national level – as expected – Greek stocks fell the most (-23.3%), followed by Italy (-

8.2%). The surprise top performers were Austria (+1.3%) dominated by the performance of CA Immo and the UK small cap stocks, which in GBP terms fell only -1.6%. In April (as opposed to May) this was viewed as a Euro based issue and Sterling gained 2.2% in the month. The fund is overweight UK stocks but its borrowings are also in Sterling which reduces overall Sterling exposure relative to the benchmark.

Investors remain concerned that the driver behind the improvement in real estate pricing has been dominated by the 'yield gap' between bond yields and that available from property. If the cost of sovereign debt was to rise in the Eurozone, property values would of course come under pressure. The expectation would be for a period not only of higher priced debt but also a tougher borrowing environment which would be bad news for leveraged asset classes.

Meanwhile the nascent improvement in underlying economic data (at least in the northern parts of Europe) has yet to translate into renewed demand for commercial premises.

Sigma's NAV (capital only in GBP) fell 6.67%, slightly less than the benchmark. Given that the fund has 10.6% gearing this reflects stock selection. Whilst this gearing was a benefit in March it has been a hinderance to performance in April and was slightly reduced over the latter part of the month.

A second interim dividend of 1.1p (declared on 3rd March) was paid on 1st April.

Fund Performance to 30.04.2010 (%)

	Current month	YTD	1 year	Since launch		
NAV (capital only)	-6.67	-1.13	+32.87	-25.92	NAV per share (capital only)	89.54p
FTSE EPRA/NAREIT European Property Small Cap Index (capital only, GBP)	-6.95	-1.63	+29.32	-32.42	Share price	69.00p
Share price	-2.13	+6.98	+38.00	-35.27	Discount	22.94%
Share price (total return)	-2.08	+7.03	+38.07	-35.24	Yield	2.90%

Small Cap benchmark adopted on 1 April 09 Prior to 01.04.09 benchmark was EPRA European Property Index. Price is month-end mid-price. NAV per share monthly return calculated net of fees. Source: BNP Paribas, Bloomberg. Refer to the back of the monthly newsletter for monthly / annual return history vs benchmark. Historical performances for distribution share classes may vary from previous issues of the Thames River newsletters. This follows an improvement in the performance calculation methodology (from monthly to daily cumulative), in order to be in line with Global Investment Performance Standards.

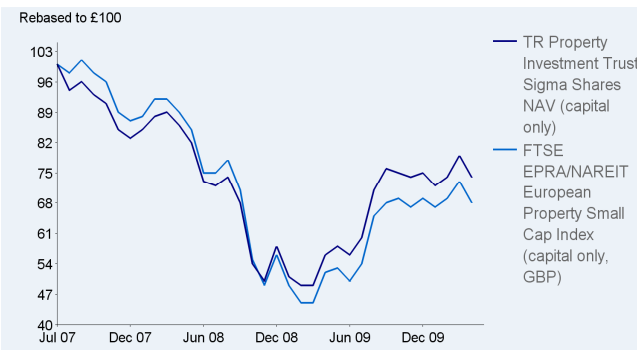
Geographic allocation (%)

Austria	3.8
Belgium	2.5
Central Europe	2.7
Denmark	0.1
Finland	5.7
France	13.0
Germany	14.2
Greece	0.9
Italy	4.6
Netherlands	2.8
Norway	3.3
Other	0.1
Portugal	0.1
Russia	1.4
Spain	0.8
Sweden	17.8
UK	26.4
Total	100.2

Asset allocation (%)

Continental Shares	64.4
UK Shares	35.6
Total	100.0

Fund performance 25.07.2007 to 30.04.2010 (%)



Prior to 01.04.09 the benchmark was EPRA European Property Index. Source: BNP Paribas, Bloomberg.

Sector allocation (%)

Industrial	15.4
Offices	34.2
Other	5.6
Residential	19.8
Retail	25.0
Total	100.0

Figures above shown on a look-through basis.

Top 10 holdings (%)

Eurocommercial	7.1
Great Portland	5.7
Conwert	4.6
Grainger	4.1
Citycon	3.8
Hufvudstaden	3.7
Alstria	3.3
Faberge	3.2
Norwegian Properties	3.1
Vastned Retail	3.0

Key facts

Fund objective: The investment objective of the Sigma shares is to maximise total returns by investing in small cap Pan European equities, focusing on long term capital and income growth.

Net Assets (Mn): £111.9mn

Net gearing: 10%

Launch date: 25.07.2007

NAV frequency: Daily

Dealing: Daily (stockmarket)

Legal status: UK Investment Trust

Listing: London Stock Exchange

Dividends: January, July

Initial charge: Nil

Management fee: £0.68mn per annum plus 0.30% of net 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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