



# 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 – by Marcus Phayre-Mudge

Once again, I report that Continental Europe outperformed the UK for another month. In EUR, Continental Europe fell -7.4%, whilst the UK (in GBP) fell -10.7%, bringing the respective YTD figures to -8.2% and -30.5%; a very dramatic differential. What are the drivers behind this? Towards the end of last year and certainly in January, the market had anticipated balance sheet restructurings through discounted rights issues particularly in the largest UK names. As possibility became reality, the dilutive impact of heavily discounted rights issues drove share prices down further. Land Securities, British Land, Hammerson and Segro have announced underwritten raisings totaling £2.65bn. These equity injections have given these companies (broadly) 35% headroom, ie capital values can fall a further 35% before loan covenants are tested again. The performance of these share prices post their various announcements has been mixed. The market remains concerned that (1) these injections are not sufficient and / or (2) that the earnings will continue to come under pressure as the recession bites and the promised (rebased) dividend levels are not sustainable. For Sigma's relative performance it was a good month as the portfolio is significantly underweight these large UK companies. The benchmark fell -8.2% whilst Sigma's NAV fell -5.21%. However this figure is flattered by the add back of recovered historic VAT which amounted to £0.93m (1.27% of month end NAV). Over the month, Sigma invested a net £1.0m. Sales were focused on a mixture of UK large caps such as Land Securities and British Land as well as smaller names such as St Modwen and the remainder of our Brixton holding. On the Continent, we invested €1.3m in CFI, a French REIT which is an acquisitive cash shell run by Leon Bressler (ex CEO of Unibail). Other additions to the portfolio were Wereldhave, Eurocommercial and Silic all significant businesses with (in our view) robust balance sheets. Post the announcements of these rights issues we have added to our holdings in Hammerson and Segro, both of which we consider better value than their larger competitors in the UK. Sigma continues to hold over 17% net cash. In the short term, the likelihood of an increase in the availability of new debt finance (or even refinancing on attractive terms) to property companies remains remote. Central banks and governments have more pressing problems than focusing on the indebted real estate communities. Self help through capital raisings and asset sales remains a priority for those businesses who can... and they should.

### Fund Performance to 27 Feb 2009

	1 Month	YTD	1 Yr Fund	NAV per share	Sigma Share Price
Sigma Price (total return)	-9.09%	+7.32%	-52.04%	58.91p	40.00p
NAV (price only)	-5.21%	-9.46%	-40.89%		
EPRA European Property Index (price only)	-8.23%	-20.39%	-51.01%		
					<b>Discount</b> 32.00%

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	2.0
Belgium	2.7
Central Europe	4.5
Denmark	0.2
Finland	1.3
France	18.9
Germany	5.9
Greece	1.2
Italy	4.9
Netherlands	4.6
Portugal	0.1
Russia	2.0
Spain	1.5
Sweden	9.7
UK	39.5
USA	0.6
Other	0.3
<b>Total</b>	<b>100.0</b>

### Asset Allocation %

Continental Shares	48.4
UK Shares	31.4
Cash	20.2
<b>Total</b>	<b>100.0</b>

### Sector Allocation %

Offices	33.8
Retail	37.4
Industrial	18.9
Residential	7.2
Other	2.7
<b>Total</b>	<b>100.0</b>

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

### Top 10 Holdings % of net assets

Unibail	11.8
Eurocommercial	5.9
Land Securities	5.5
Castellum	5.1
Great Portland	4.8
Silic	4.6
Hansteeen	4.5
Wereldhave	3.1
Helical Bar	3.3
Big Yellow	2.8

### NAV per share Price Performance 01.07.98 (rebased to £100) to 27.02.09

— TR Property Investment Trust plc - Sigma  
— EPRA European Property Index



Source: Northern Trust IFAS (Ireland) Ltd, Bloomberg, S&P, EPRA.

### 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)

Net Assets (Mn)	£76.0
Launch Date	25 July 2007
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	1.1% of net assets p.a.
Performance Fee	20% of total return over the benchmark plus 2% hurdle

### Investment Manager

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[http://www.nevskycapital.com/pdf/paying\\_agents.pdf](http://www.nevskycapital.com/pdf/paying_agents.pdf)

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