

# 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 / James Wilkinson

Small Cap Pan European real estate stocks rose +3.52% in February, recovering the -3.1% loss and more from January. They also outperformed the broader property index ( FTSE EPRA/NAREIT Developed Europe in GBP) which rose +2.04%. Small Caps are therefore up +0.3% YTD whilst the large cap dominated full index is down -2.2% (all index figures in GBP). One of the key features of the month has been the weakness of GBP. The movement against other European currencies was dramatic GBP/EUR fell -3.24% whilst GBP/SEK fell a huge -8.3% and GBP/CHF -3.8%. Only 34.5% of the pan European benchmark is denominated in GBP and therefore in EUR the index was actually negative. Although the fund does not hedge its non GBP positions, the exposure versus the benchmark constituents is constantly monitored. The fund's borrowings (currently £12.8m) are in GBP whilst its investments are spread across all European currencies. A busy month for companies (30 of the 79 companies in the EPRA index) reporting. The reported numbers generally reinforced the market's views that the second half of 2009 had seen asset value recovery in the UK of c10% with prime property recovering by much more than that. However rental growth remains flat to negative, except in a handful of submarkets including central London office markets (British Land reported better than expected lettings in the City). The disappointment in the month was Norwegian Properties which fell -15.7% following results which the market translated into an expectation of additional equity raising. However the rest of Scandinavia was in rude health, Sweden was the top performing country +13% (in GBP) and +4% (in SEK) such was the strength of SEK against GBP. Finland also rose +2.8% (in GBP). Over the month, the fund was a net investor of £0.8m and maintained gearing of c.10%. The fund returned +2.52% in the month. The share price rose +1.1% and the discount remained just at 25%.

### Fund Performance to 26 Feb 2010

	1 Month	YTD	1 Year	Since Inception	NAV per share	Sigma Share Price
Sigma Price (total return)	+1.12%	+5.43%	+70.00%	-36.15%	89.80p	68.00p
NAV	+2.51%	+0.84%	+52.43%	-25.70%		Discount
EPRA European Property Small Cap Index (price only)	+3.52%	+0.28%	+53.51%	-44.7%		24.27%

\*Small Cap benchmark adopted on 1 April 09 Prior to 01.04.09 benchmark was EPRA European Property Index Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to back of the monthly newsletter for monthly / annual return history vs benchmark. N.B. 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 (Look-Through)		Asset Allocation %		Fund Performance vs Index 31.07.2007 To 26.02.2010 (rebased to £100)	
Austria	3.9	Continental Shares	64.6		<p>Prior to 01.04.09 the benchmark was EPRA European Property Index. Source: BNP Paribas, EPRA.</p>
Belgium	2.9	UK Shares	35.4		
Central Europe	2.9	<b>Total</b>	<b>100.0</b>		
Finland	5.2	Sector Allocation %			
France	13.1	Industrial	13.6		
Germany	12.9	Offices	33.6		
Greece	0.8	Other	6.2		
Italy	3.4	Residential	21.6		
Netherlands	2.7	Retail	25.0		
Norway	3.3	<b>Total</b>	<b>100.0</b>		
Other	0.1	Note: figures above shown on a look-through basis.			
Russia	1.3	Top 10 Holdings % of net assets			
Spain	1.0	Eurocommercial	6.8		
Sweden	16.5	Great Portland	5.1		
UK	30.0	Vastned Retail	4.4		
<b>Total</b>	<b>100.0</b>	Conwert	4.4		
		Fabege	4.4		
		Citycon	3.9		
		Grainger	3.6		
		Unite	3.3		
		Hansteen	2.9		
		Alstria	2.8		

### 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.

<b>Net Assets (Mn)</b>	£112.2
<b>NAV Frequency</b>	Daily
<b>Launch Date</b>	25/07/2007
<b>Dealing Listing</b>	Daily (stockmarket) London Stock Exchange FTSE 250 Index
<b>Legal Status</b>	UK Investment Trust
<b>Dividends</b>	January, July
<b>Charges</b>	
Initial Charge	Nil
Management Fee	£0.65mn per annum plus 0.30% of net assets p.a.
Performance Fee	15% of outperformance of benchmark plus 2% hurdle

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<b>Administrator</b>	BNP Paribas
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<b>Registrar</b>	Computershare Investor Services plc
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