



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

The new year opened with dramatic volatility. Although EPRA Europe ended the month up 1.5% (in GBP), the index (in GBP) fell 9.2% in the first 10 trading days and then recovered strongly for the rest of the month. Globally, real estate markets had a poor opening month with Asia down 10.5% and North America down 2.6%. Europe's relatively good performance was strongly aided by the UK which returned +4.9% (price only in GBP). Its intra-month high/low range was over 16%. Real estate share prices are now factoring in 15-20% adjustments in asset values from the highs of mid 2007. However, the markets remain in two minds as to whether the subsequent (geared) adjustments in listed property company NAVs are enough. Credit markets are clearly more pessimistic than equity markets but the majority of public property companies are far less levered than their private counterparts. In other words, the debt markets are going to remain risk adverse which will impact on property values as investors are required to contribute more (expensive) equity to transactions. The optimists feel that much of this is now factored into share prices whilst we believe that positive rental growth assumptions will come under pressure particularly if the UK (and parts of Europe) drift into recession. Our strategy is to remain cautious. Sigma is holding cash (net of debentures) of £7.56m (5.7% of assets). January was a busy month for the sale (of large caps) and reinvestment in smaller names. Smaller companies underperformed large caps in November and December and this offered a number of buying opportunities. Turnover reached £15.8m and we increased our holdings significantly in Local Shopping REIT, Hansteen, Argan, Northern European and Great Portland Estates amongst others. Over the month the benchmark rose 1.5% and Sigma's NAV rose 2.2% leading to relative outperformance of 68 bps. No shares were bought back during the month.

Fund Performance to 31 Jan 2008

	1 Month	YTD	NAV per share	Ordinary Share Price
Ord. Price (total return)	+3.07%	+3.07%	103.01p	84.00p
NAV (price only)	+2.18%	+2.18%		
EPRA European Property Index (price only)	+1.50%	+1.50%		
				Discount 18.45%

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	0.1
Belgium	0.8
Central Europe	3.1
Denmark	0.1
Finland	1.1
France	14.9
Germany	4.3
Greece	0.5
Italy	2.4
Netherlands	2.5
Portugal	0.1
Russia	0.4
Spain	1.0
Sweden	7.4
Switzerland	0.5
UK	60.5
Other	0.3
Total	100.0

Asset Allocation %

UK Shares	50.1
Continental Shares	43.1
Cash	5.8
Total	100.0

Sector Allocation %

Offices	46.5
Retail	21.5
Industrial	17.6
Residential	11.4
Other	3.0
Total	100.0

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

Top 10 Holdings % of net assets

Land Securities	9.7
Unibail	9.2
British Land	6.5
Big Yellow Group	4.7
Segro	3.3
Castellum	3.2
St Modwen	3.2
Great Portland Estates	2.7
Hammerson	2.5
Fonciere De Regions	2.3

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)	£131.5
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

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Stockbroker
Cenkos Securities PLC

Administrator
BNP Paribas
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