

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 fell by -3.13% in January but this was less than the broader property index (FTSE EPRA/NAREIT Developed Europe in GBP) which fell -4.07%. Currency was a strong negative contributor. The news from the edges of Euroland will clearly continue to affect the currency and the Euro fell -2.3% against Sterling (and a lot more against more popular currencies). The fund's benchmark is denominated in Sterling. The index in Euros fell only -1.74%, such was the currency impact. By the end of the month, the index was trading right at the bottom of the range which has persisted from mid September and looks set to continue to weaken. Our view is that investors will continue to seek out those businesses which provide stable, high quality income streams coupled with the fire power (equity and debt) to make accretive acquisitions and / or carry out development in due course. The former is more near term as the deleveraging process continues and we believe opportunities will appear. The UK was the weakest market by far, falling -7.02% (in GBP) against Europe ex UK (in EUR) which rose +0.01%. In the UK, the two largest companies reported Q3 figures (they have March year ends) and investors were uncomfortable with holding these stocks at premiums to their most recent published numbers. In the small cap space, Big Yellow suffered from analyst downgrades (-11%) whilst the weakest performer was Development Securities (-18%). On the Continent, the weakest performer Castellum in Sweden fell a far smaller -7.2%. The company reported slightly weaker Q4 numbers (over Q3) but increased the final dividend. We were surprised by the market response – which reflects the general short term tone - only looking at the bad news and ignoring any good. Sigma's capital only NAV fell -3.32% in the month thus slightly underperforming the benchmark. We were net investors of £3m in the month taking advantage of price corrections which we feel are unwarranted.

Fund Performance to 29 Jan 2010

	1 Month	YTD	1 Year	Since Inception	NAV per share	Ordinary Share Price
Ord. Price(total return)	+4.26%	+4.26%	+52.84%	-32.74%	87.59p	67.25p
NAV (price only)	-3.27%	-3.27%	+40.94%	-27.53%		Discount
EPRA European Property Index Small Cap (price only)	-3.13%	-3.13%	+36.09%	-36.25%		23.22%

*Small Cap benchmark adopted on 1 April 09 Prior to 01.04.09 benchmark was EPRA European Property Index 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 %	
Austria	3.8	Continental Shares	64.2
Belgium	2.8	UK Shares	35.8
Central Europe	3.0	Total	100.0
Denmark	0.1	Sector Allocation %	
Finland	5.9	Industrial	13.6
France	12.8	Offices	33.7
Germany	13.0	Other	6.5
Greece	1.0	Residential	21.1
Italy	3.2	Retail	25.1
Netherlands	2.7	Total	100.0
Norway	3.2	Note: figures above shown on a look-through basis.	
Other	0.1	Top 10 Holdings	
Portugal	0.1	% of net assets	
Russia	1.3	Eurocommercial	6.3
Spain	1.1	Great Portland	4.9
Sweden	14.9	Vastned Retail	4.8
UK	31.0	Conwert	4.5
Total	100.0	Fabege	4.3
		Citycon	3.9
		Grainger	3.8
		Unite	3.2
		Hansteeen	3.0
		Norwegian Property	3.1

NAV per share Price performance 31.07.2007 To 29.01.2010



Prior to 01.04.09 the benchmark was EPRA European Property Index. Source: BNP Paribas, 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)	£109.4
NAV Frequency	Daily
Launch Date	25/07/2007
Dealing Listing	Daily (stockmarket) London Stock Exchange FTSE 250 Index
Legal Status	UK Investment Trust
Dividends	January, July
Charges	
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

Investment Manager	Thames River Capital LLP
Stockbroker	Cenkos Securities plc
Administrator	BNP Paribas
Contact:	c/o Angelique Eilo, TRC
Email:	aello@thamesriver.co.uk
Registrar	Computershare Investor Services plc

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