

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

As the summer holiday period got underway, Pan European real estate equities initially continued their sideways movement in the tight trading range which began in the middle of April. However from the second week of the month the sector joined in (and then outperformed) the wider equity rally as macro economic data (rather than property company specific news) drove markets higher. We also believe that the sector was both 'under owned' by institutional investors whilst also still the subject of some short interest. Rising prices became self fulfilling. The rally saw the FTSE EPRA / NAREIT Europe Index climb +10.7% (in GBP) whilst the FTSE EPRA / NAREIT Europe Small Cap Index (Sigma's benchmark) rose +6.6% in the month. Unlike the March-May rally this time it was the larger cap property companies outperforming their smaller brethren and this was particularly prevalent in the UK (+10.8%) and France (+14.5%) where companies with a market cap of more than £1bn dominate. The March-May rally was particularly dominated by the outperformance of those companies which had performed poorest in the previous 18 months and were priced to fail as equity value evaporated under the weight of debt. These performed strongly as investors bought risk. The July rally has been much broader based with stronger performance from the largest companies. Generalist investors are once again looking at the sector as both a geared play on a broader recovery and one which also offers recurring income (particularly where earnings are flattered by falling debt cost). The improving trend (either absolute positive moves or a slowing in the rate of decline) in virtually all macro economic datapoints drove all equity markets higher. Real estate stocks were a particular beneficiary as investors focused on this improving economic data allied to the increasing amount of positive investment property transaction data. An increasing number of transactions have indicated a halt in the value decline for prime assets. The cautionary adjunct is that this capital pricing improvement applies only to the best real estate (with long income streams). Again this is not a surprise given the broad improvement in corporate bond spreads. Sigma's NAV rose +7.3% outperforming the benchmark index which rose +6.6%. This performance reflected our stock selection given that the fund still had a net cash position of 4.4%. The cash continues to be deployed as we become increasingly comfortable with the improving macro-economic data.

Fund Performance to 31 Jul 2009

	1 Month	YTD	1 Yr Fund	NAV per share	Sigma Share Price
Sigma Price (total return)	+2.37%	+31.71%	-22.30%	72.29p	54.00p
NAV (price only)	+7.26%	+3.64%	-16.54%		
EPRA European Property Small Cap Index (price only)	+6.58%	-5.05%	-28.38%		
					Discount 25.30%

*Small Cap bench Note: Price is month-end mid-price. Source: Datastream, Bloomberg. Refer to the back of the newsletter for monthly / annual return history vs benchmark.mark adopted on 1 April 09 Prior to 01.04.09 benchmark was EPRA European Property Index

Geographic Allocation % (Look-Through)

Austria	1.3
Belgium	10.0
Central Europe	2.6
Denmark	-
Finland	3.5
France	17.8
Germany	6.8
Greece	1.1
Italy	3.9
Netherlands	5.2
Portugal	-
Russia	1.6
Spain	1.3
Sweden	14.7
Switzerland	-
UK	28.9
USA	0.9
Other	0.3
Total	100.0

Asset Allocation %

Continental Shares	60.7
UK Shares	34.9
Cash	4.4
Total	100.0

Sector Allocation %

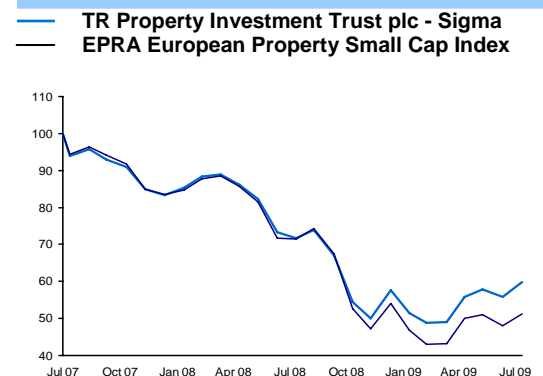
Offices	39.6
Retail	31.6
Industrial	18.4
Residential	5.9
Other	4.5
Total	100.0

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

Top 10 Holdings % of net assets

Castellum	5.87
Eurocommercial	5.37
Segro	5.31
Unibail	4.99
Great Portland	4.90
Wereldhave	4.84
Hansteen	4.79
Silic	4.27
Befimmo	4.24
Cofinimmo	3.89

NAV per share Price Performance 01.07.98 (rebased to £100) to 31.07.09



*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)	£92.2
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
c/o Nicola Williamson, TRC
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For a full list of Paying Agents' details, please follow the following links: http://www.thamesriver.co.uk/pdf/paying_agents.pdf

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