



THAMES RIVER

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
Marcus Phayre-Mudge
James Wilkinson



Small cap Pan European real estate stocks fell 7.14% in May. This was a significantly better performance than the full FTSE EPRA/NAREIT Europe Index (in GBP) which fell 8% in total return terms and -9% capital only. The difference between capital only and total return reflects the amount of dividend income which was posted in the month. Dividend payments in the small cap universe accounted for just 20bps of performance in the month. Once again, there was large performance

disparity at a national level and this was an important driver of performance in the month. Swedish stocks account for 17.5% of Sigma and in GBP terms they collectively fell only -2.1% in the month. Not surprisingly, the other major non - Euro denominated stocks, the UK and Switzerland, also performed relatively well; the latter particularly (falling just 2.4%) and once again proving its safe haven credentials. A capital intensive, leveraged asset class such as real estate was always going to perform poorly when uncertainty once again surrounds the banking sector. Much has been made of the pan Euro ownership of sovereign debt but this equally applies to cross border real estate lending. Core markets such as France and the Netherlands underperformed alongside Greece and Italy. Sigma's total return was -9.1% which reflected its position in a number of small cap stocks which fell heavily in the

month. In the UK these included a number of stocks which would be impacted by any further weakening in the residential market, Safestore (-11%) and Grainger (-13.3%). Investors remain wary ahead of the emergency budget and the sentiment extended to any stock likely to be impacted by reduced public spending. The most obvious candidate is Unite, the student housing developer-owner which fell 12.6% in the month. In France, a number of our smallest companies suffered disproportionately from widening bid-offer spreads and general reluctance to buy micro caps. We remain positive about these businesses' underlying assets and will hold through these volatile times. They are all focused on the Paris region and we believe that the core capital city assets be it London, Paris, Stockholm or even Madrid are the submarkets to own right now.

Fund performance to 28.05.2010 (%)

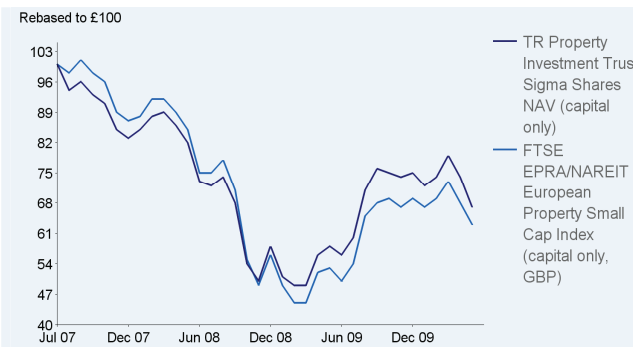
	Current month	YTD	1 year	Since launch		
NAV (capital only)	-9.31	-10.33	+16.09	-32.81	NAV per share (capital only)	81.20p
FTSE EPRA/NAREIT European Property Small Cap Index (capital only, GBP)	-7.14	-8.66	+17.65	-37.25	Share price	60.50p
Share price	-12.32	-6.20	+12.04	-43.25	Discount	25.50%
Share price (total return)	-12.28	-6.15	+12.09	-43.22	Yield	3.31%

Small Cap benchmark adopted on 1 April 09 Prior to 01.04.09 benchmark was EPRA European Property Index. Price is month-end mid-price. NAV per share monthly return calculated net of fees. Source: BNP Paribas, Bloomberg. Refer to the back of the monthly newsletter for monthly/annual return history vs benchmark. 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 (%)

Austria	3.7
Belgium	2.5
Central Europe	2.7
Denmark	0.1
Finland	5.5
France	13.0
Germany	14.0
Greece	0.9
Italy	4.5
Netherlands	2.8
Norway	3.2
Russia	1.5
Spain	0.8
Sweden	17.7
Switzerland	0.2
UK	26.9
Total	100.0

Fund performance 25.07.2007 to 28.05.2010



Prior to 01.04.09 the benchmark was EPRA European Property Index. Source: BNP Paribas, Bloomberg.

Key facts

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): £101.4mn
Net gearing: 10.8%
Launch date: 25.07.2007
NAV frequency: Daily
Dealing: Daily (stockmarket)
Legal status: UK Investment Trust
Listing: London Stock Exchange
Dividends: January, July
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 Ello, TRC
Email: aello@thamesriver.co.uk
Registrar: Computershare Investor Services plc

Asset allocation (%)

Continental Shares	64.0
UK Shares	36.0
Total	100.0

Sector allocation (%)

Industrial	15.7
Offices	33.8
Other	5.6
Residential	20.1
Retail	24.8
Total	100.0

figures above shown on a look-through basis.

Top 10 holdings (%)

Eurocommercial	7.0
Great Portland	6.3
Conwert	4.6
Grainger	4.0
Hufvudstaden	3.9
Castellum	3.9
Citycon	3.8
Alstria	3.1
Vastned Retail	2.8
Big Yellow	2.7

IMPORTANT NOTICE - REGULATORY INFORMATION AND RISK WARNINGS

This document is issued for information only by Thames River Capital LLP ("Thames River, the "Firm"). The firm is authorised and regulated by the Financial Services Authority ("FSA"). Content relating to unregulated collective investment schemes is only directed at Eligible Counterparties, Professional Clients or investors meeting the FSA's COBS 4.12 categories. It must not be relied upon by non-qualifying persons. It does not constitute an offer by the firms to enter into any contract/agreement nor is it a solicitation to buy or sell any investment. Nothing in this document should be deemed to constitute the provision of financial, investment or other professional advice in any way. The contents of this document are based upon sources of information believed to be reliable, however, save to the extent required by applicable law or regulations, no guarantee, warranty or representation (express or implied) is given as to its accuracy or completeness and, the Firms, their members, officers and employees of the corporate member do not accept any liability or responsibility in respect of the information or any views expressed herein. All data is sourced from the Firm unless otherwise indicated. This document may include forward-looking statements that are based upon the managers' current opinions, expectations and projections. The firms undertake no obligation to update or revise any forward-looking statements. Actual results could differ materially from those anticipated in the forward-looking statements. This document is not aimed at persons who are residents of any country, including the United States of America ("USA") and South Africa, where the funds referred to herein are not registered or approved for marketing and/or sale or in which the dissemination of information on the funds or services is not permitted. This document should not be distributed to any third party without the express approval of the Firms and has been designed for a professional audience only.

Funds referred to herein are neither registered under the Securities Act 1933 of the USA, nor are they registered under the Investment Company Act of 1940. Consequently, they cannot be offered for sale or be sold in the USA, its territories, possessions or protectorates under its jurisdiction, nor to nationals, citizens or residents in any of those areas. This document should be read in conjunction with the Prospectus of the relevant fund that will exclusively form the basis of any application and an investment should not be contemplated until the risks of investment and tax implications have been considered fully. Thames River Hillside Apex Fund SPC, Thames River Kingsway Fund Limited, Nevsky Fund Limited, Thames River Longstone Fund Limited, Thames River Sentinel Fund, Thames River Warrior Fund, Thames River Warrior II Fund, Thames River Distressed Focus Fund, Thames River Africa Focus Fund, Thames River Property Growth & Income Fund Limited are unregulated collective investment schemes which are not recognised schemes under s.264 of the Financial Services and Markets Act 2000. Thames River Multi-Select Fund, Thames River Global Boutiques Fund and Thames River Absolute Return Fund are sub funds of Thames River Traditional Multi Funds plc, an open-ended investment company with segregated liability between sub-funds incorporated in Ireland, authorised by the Irish Financial Services Regulatory Authority and listed on the Irish Stock Exchange. This company is a recognised collective investment scheme under s.264 of the Financial Services and Markets Act. Thames River Hedge+ is a cell of Thames River Multi Hedge PCC Limited, listed on the London and Channel Islands Stock Exchanges. The Thames River European Dynamic Growth Fund, Thames River High Income Fund, Thames River Global Credit Fund, Thames River Credit Select Fund, Eastern European Fund, Global Emerging Markets Fund, Thames River Global Bond Fund (£), Thames River Global Bond Fund (€), Thames River Global Bond Fund (\$), Emerging Asia Fund, European Select Fund, Thames River World Government Bond Fund, Thames River Water & Agriculture Fund, Thames River UK Absolute Income Fund, Thames River Currency Alpha Fund and Thames River Real Estate Securities Fund are sub-funds of Traditional Funds plc, an open-ended investment company with segregated liability between sub-funds incorporated in Ireland, authorised by the Irish Financial Services Regulatory Authority and listed on the Irish Stock Exchange. This company is a recognised collective investment scheme under s.264 of the Financial Services and Markets Act. TR Property Investment Trust plc is a UK investment trust listed on the London Stock Exchange.

Many of the protections provided by the United Kingdom regulatory structure may not apply to investments in these funds, including access to the Financial Services Compensation Scheme and the Financial Ombudsman Service. Past performance is not a guide to future performance. Values may fall as well as rise and you may not get back the amount you invested. Income from investments may fluctuate. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. The unregulated collective investment schemes and TR Property Investment Trust plc are permitted to and use gearing as an investment strategy. The effect of such gearing is that movements in the price of the schemes will be more volatile than the movements in the prices of their underlying investments. Investors should obtain professional advice on taxation where appropriate before proceeding with any investment. Investors should be aware that investments in higher yielding bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on income and capital value. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital growth. Fund charges may be applied in whole or part to capital, which may result in capital erosion. You should be aware of the additional risks associated with investment in emerging and developing markets. The prices of some investments may be extremely volatile. With the exception of TR Property Investment Trust plc and Thames River Hedge+, the funds are not traded on an exchange or recognised market and in common with some of their investments may not be readily realisable. This factor can make it difficult to obtain independent verification of the investment value and the extent of the risks to which they are exposed. (100422)

Potential investors should follow the links below for information on any current side letters relating to the schemes.

<http://www.thamesriver.co.uk/downloads/disclosures.htm> <http://www.nevskycapital.com/downloads/disclosures.htm>

Notice to Investors:

Please note Paying Agents/Representatives for the following countries have been appointed by Traditional Funds plc in accordance with local requirements: **Germany, Austria, Switzerland, Malta, Luxembourg, Netherlands, Belgium, Sweden, Norway, France and Spain.** Local language versions of the Traditional Funds plc prospectus and simplified prospectus are available from their offices.

For a full list of Paying Agents' details, please follow the following links: http://www.thamesriver.co.uk/pdf/paying_agents.pdf

http://www.nevskycapital.com/pdf/paying_agents.pdf