

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

Pan European property stocks have been range bound since the beginning of October and November was much the same - an intra month rally followed by a sell off into the month end. In the small cap space the FTSE EPRA/NAREIT Small Cap benchmark (in GBP) fell -2.02%. By 16th the index was up 3.5% from which it proceeded to give up over 5.5% into the month end. Investors are not ready to once again bid stocks up to their Dec 2010 NAVs and by the end of November prices were 7% off their mid October highs. In fact prices have drifted further down into mid December. Our view is that investors are waiting for a clearer view on (1) the bull argument that rates will remain very low into 2011 which gives a high yielding asset class like property a purchase rational or (2) the bear view that rate rise expectations evolve and property as a late cycle earnings play has little to offer in the short term. Certainly the lack of near term rental growth is consensus. Few businesses are hiring or committing to more space / stores / locations. Hanging over the sector (as with many other asset backed stocks) is the residual concern surrounding the banks attitude to real estate backed debtors. 2009 has seen very little distressed property on the market. Consequently, high quality assets such as the Silverburn shopping centre have been well bid (£305m versus £250m asking) as institutions rush to buy the asset class. However such equity (as opposed to debt) buyers are focused on the quality end of the spectrum, seeking long dated secure income. Small caps underperformed their larger brethren (the full index fell only -1.38%) and volatility remains high. By way of example, last month I commented on CA Immo and Deutsche Wohnen, stocks we underowned which both rose 14%. This month they fell 20% and 14.5% respectively. Sigma's NAV fell only -1.52% leading to 50bps of outperformance relative to its benchmark.

Fund Performance to 30 Nov 2009

	1 Month	YTD	1 Year	Since Inception	NAV per share	Ordinary Share Price
Ord. Price(total return)	-1.94%	+72.20%	+83.38%	-34.93%	89.01p	70.60p
NAV (price only)	-1.52%	+27.61%	+47.12%	-26.35%		Discount
EPRA European Property Index (price only)	-2.02%	+19.27%	+14.45%	-35.60%		20.68%

* 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.

Geographic Allocation (Look-Through)		Asset Allocation %	
Austria	4.0	Continental Shares	64.9
Belgium	7.6	UK Shares	35.1
Central Europe	3.1	Total	100.0
Finland	6.0	Sector Allocation %	
France	14.6	Industrial	13.1
Germany	13.2	Offices	38.1
Greece	1.8	Other	6.0
Italy	3.4	Residential	14.4
Netherlands	2.7	Retail	28.4
Norway	3.2	Total	100.0
Other Overseas	0.1	Note: figures above shown on a look-through basis.	
Russia	1.5		
Spain	1.3		
Sweden	12.7		
Switzerland	1.6		
UK	23.2		
Total	100.0		

NAV per share Price performance 01.07.08 (rebased to £100) to 30.11.09



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

Top 10 Holdings % of net assets

Eurocommercial	6.7
Vastned Retail	5.1
Conwert	4.3
Great Portland	4.0
Fabege	3.8
Befimmo	3.7
Citycon	3.4
Hansteen	3.2
Derwent	3.1
Unité	3.0

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.

Fund Size (Mn)	£111.2
Launch Date	25/07/2007
Dealing	Daily (stockmarket)
NAV Frequency	Daily
Listing	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 total return over the benchmark plus 2% hurdle

Investment Manager	Thames River Capital LLP
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<http://www.thamesriver.co.uk/downloads/disclosures.htm> <http://www.nevskycapital.com/downloads/disclosures.htm>

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http://www.thamesriver.co.uk/pdf/paying_agents.pdf

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