

# Thames River Sigma Shares

TR Property Investment Trust plc ■ Closed-ended investment trust - long only pan-European small cap property equities

## Manager commentary

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Real estate stock markets across Europe continued their slide during November.

Stocks fell precipitously in the first three weeks of the month. From 1-25 November, small cap real estate equities were down nearly 13%, only to stage an 8% recovery in the last five days. Markets remain macro driven, with events in the eurozone dominating. After the mild euphoria in the run up to the summit on 27 October, November saw investors focus on the lengthy timetable that any political solution by the 17 member states would require. As we enter December,

there appears to be renewed political momentum and coordination of responses between Germany and France - the key decision makers. As we have written many times before, however, there is no clear timetable for the imposition of the various measures being mooted. We continue to think that this will be a long, drawn-out process.

After generating some relative gains in October the Sigma share class total return lagged the - 5.6% benchmark performance (total return, GBP) in November.

While this is obviously disappointing we believe that the persistently high volatility in the stock market contributed greatly to this. Indeed, many of Sigma's stocks are relatively illiquid when compared to larger market caps such as Land Securities or Unibail. When we make a decision to invest we do so for the long-term, we are not traders of these stocks. This long-

term, stock-specific approach has been ill-suited to markets since the escalation of the eurozone crisis, which have been driven by macro events both economic and political. Many real money, long-term investors have recoiled from such volatile markets, meaning that liquidity has been poor and stock markets have been dominated by investors trading on directional views, momentum and macro events. These investors often trade in whole country or sector indices, which results in all stocks in the group moving upwards or downwards together and the price movements of the most illiquid (often the smallest) stocks being amplified.

We believe this is a temporary phenomenon, albeit one that can persist for some time, and that fundamentals will reassert themselves over time.

## Fund performance to 30.11.2011 (%)

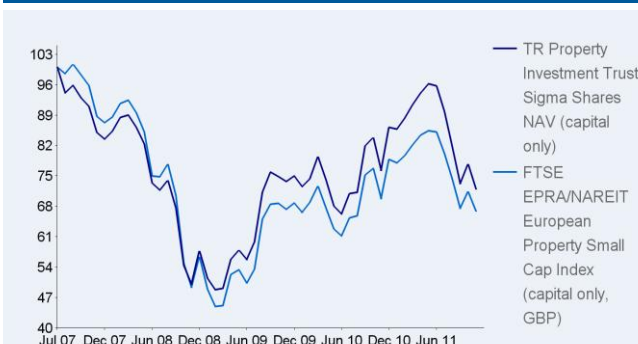
	Current month	YTD	1 year	3 year	5 year	Since launch		
NAV (capital only)	-7.44	-16.50	-5.54	+43.88	-	-28.10	NAV per share (capital only)	86.90p
FTSE EPRA/NAREIT European Property Small Cap Index (capital only, GBP)	-6.37	-15.16	-4.12	+35.67	-	-33.19	Share price	68.20p
Share price	-8.39	-12.56	-1.87	+77.14	-	-35.81	Discount	21.50%
							Yield	3.15%

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. Source: BNP Paribas, Bloomberg. Refer to the back of the monthly newsletter for monthly/ annual return history and dividends.

## Geographic allocation (%)

Austria	2.6
Belgium	2.7
Central Europe	5.4
Finland	3.7
France	12.8
Germany	18.5
Italy	8.1
Netherlands	2.9
Norway	3.6
Other Overseas	0.4
Russia	0.2
Spain	0.9
Sweden	12.9
Switzerland	0.4
UK	24.9
<b>Total</b>	<b>100.0</b>

## Fund performance 25.07.2007 to 30.11.2011



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):** £108.4mn  
**Net gearing:** 6.1%  
**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 Joanne Elliott, TRC  
**Email:** jelliott@thamesriver.co.uk  
**Registrar:** Computershare Investor Services plc

## Sector allocation (%)

	Fund
Industrial	11.0
Offices	37.8
Other	7.1
Residential	14.2
Retail	29.9
<b>Total</b>	<b>100.0</b>

figures above shown on a look-through basis.

## Top 10 holdings (%)

GREAT PORTLAND ESTATES	5.6
DEUTSCHE EUROSHOP NPV	5.2
GSW IMMOBILIEN NPV	5.2
SHAFTESBURY	5.2
DEUTSCHE WOHNEN	3.8
EUROCOMMERCIAL CVA	3.8
VASTNED RETAIL	3.7
FABEGE	3.6
KUNGSLEDEN	3.2
CA IMMOBILIEN ANLAGEN	2.8

## Asset allocation (%)

Continental Shares	69.8
UK Shares	30.2
<b>Total</b>	<b>100.0</b>

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