



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

The markets continue to be spooked by the fear of the unknown – the depth of losses associated with the sub-prime crisis. The concern is not that there is any particular direct linkage; the vast majority of real estate investors do not hold debt products in these areas. The critical issue is whether the banks, which are becoming increasingly reluctant to lend against commercial property, withdraw from the market and precipitate a credit 'crunch' rather than a 'squeeze'. The correction in share prices, particularly in the UK, have now priced in c.20% reductions in underlying NAVs. However, set against this weakening financial backdrop, the occupational markets, for the moment remain robust. There is little overdevelopment and IPD recorded, albeit modest, rental growth in October (+0.2%). Against this backdrop we remain cautious and the fund was holding (net of the debenture) cash of £6.3m (4.45% of NAV). The process of sale and reinvestment into smaller caps continues but at a careful pace. The weakness in equity markets has been particularly acute in UK larger cap and once again I report that selling stocks on wide discounts to NAV and buying into smaller ones on premiums is not a strategy which protects shareholder value. I continued to sell Lands Securities (the fund is now market weight) and Liberty (which has held up extraordinarily well). I also sold ImmoEast (a large Austrian stock no longer in our index) and Minerva (Central London development sites). On the acquisition side, I added to holdings in Local Shopping Reit, Shaftesbury and Unite in the UK and further east we opened a position in Mirland (Russian developer) and Northern European Properties (Baltic and Nordic investor). Over the month, the benchmark fell 2.51% and Sigma's NAV fell 2.14%, leading to relative outperformance of 37bps. The discount to NAV widened during the month enabling us to buyback 1.925m shares for cancellation at an average discount of over 15%.

Fund Performance to 31 Oct 2007

	1 Month	YTD	NAV per share £109.95	Ordinary Share Price 92.5p	Discount 15.87%
Ord. Price (total return)	-11.27%	-14.75%			
NAV (price only)	-2.14%	-9.03%			
EPRA European Property Index (price only)	-2.51%	-8.28%			

Note: Price is month-end mid-price. Source: Datastream, Bloomberg.

Geographic Allocation (Look-Through)

Austria	0.2%
Belgium	2.6%
Central Europe	3.1%
Denmark	0.1%
Finland	1.1%
France	18.8%
Germany	5.2%
Greece	0.5%
Italy	3.1%
Netherlands	2.7%
Portugal	0.1%
Russia	0.4%
Spain	1.5%
Sweden	7.6%
Switzerland	0.6%
UK	52.3%
USA	0.1%
Other	0.3%
Total	100.0%

Asset Allocation

UK Shares	48.03%
Continental Shares	42.98%
Net Cash	8.99%
Total	100.0%

Sector Allocation

Offices	37.5%
Retail	36.8%
Industrial	13.7%
Residential	8.1%
Other	3.9%
Total	100.0%

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

Top 10 Holdings % of net assets

Land Securities	9.9%
Unibail	9.3%
British Land	7.1%
Big Yellow Group	4.3%
St Modwen Properties	3.4%
Segro	3.3%
Castellum	3.2%
Great Portland Estates	2.8%
Hammerson	2.5%
Derwent London	2.4%

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)	£150.5
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
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