

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

October is yet another month in which the headline statistics belie intra-month activity. Our FTSE EPRA/NAREIT Small Cap benchmark increased by only +0.29% over the month. However, the market was certainly not as calm as that might suggest. Between 1st and 12th October small cap stock prices increased by 6.7% as investors bought into the idea that interest rates would remain low for an extended period and were consequently happy to take on increased risk. Values remained steady for the following week before plunging 8.2% between the 19th and 28th October as positive news on the economy and earnings persuaded the market that an exit from governments' stimulus measures and a resultant increase in bond yields and interest rates might come sooner than previously expected. Prices then rebounded +2.4% to end the month more or less flat. Sigma had a poor month. The capital only NAV fell by 1.36%, giving rise to underperformance of 165 bps. With the market performance virtually flat, this weak return was due to poor stock selection. In particular, two companies which we under own, Deutsche Wohnen in Germany and CA Immo in Austria both rose over 14%. These stocks account for 6.2% of our benchmark. In the case of the latter, by mid November, it has returned to its late September share price. October is often a blustery month! There has been an increasing amount of anecdotal evidence of investors prepared to pay for quality property with strong income streams. We believe prime yields have tightened 100bps or more in the quarter and this is giving support to property asset values across Europe. Our net investment in October was £8.1m and the fund is now geared approximately 8.5%. Significant increased positions were Fabège and Norwegian Properties in Scandinavia, Tour Eiffel and Foncière Paris France in France and Swiss Prime in Switzerland. Sales were focused on large cap positions, Wereldhave in the Netherlands and Castellum in Sweden. The fund's small cap benchmark constituents are adjusted quarterly and after the last quarter's price return of +26.6% there were six stocks which had exceeded the £1bn market capitalisation limit. The benchmark currently has 56 constituents.

Fund Performance to 30 Oct 2009

	1 Month	YTD	1 Yr Fund	Since Inception	NAV per share	Sigma Share Price
Sigma Price (total return)	-1.97%	+75.61%	+50.79%	-33.64%	90.38p	72.00p
NAV (price only)	-1.36%	+29.58%	+37.54%	-25.22%		
EPRA European Property Small Cap Index (price only)	+0.29%	+21.73%	+25.01%	-34.27%		

*Small Cap benchmark adopted on 1 April 09 Prior to 01.04.09 benchmark was EPRA European Property Index

Discount
20.37%

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)

Austria	4.2
Belgium	8.4
Central Europe	3.3
Finland	5.6
France	13.1
Germany	10.8
Greece	1.9
Italy	3.4
Netherlands	2.9
Portugal	0.0
Russia	1.6
Spain	1.3
Sweden	13.4
Switzerland	1.2
UK	28.7
USA	0.0
Other	0.1
Total	100.0

Asset Allocation %

Continental Shares	65.4
UK Shares	34.6
Total	100.0

Sector Allocation %

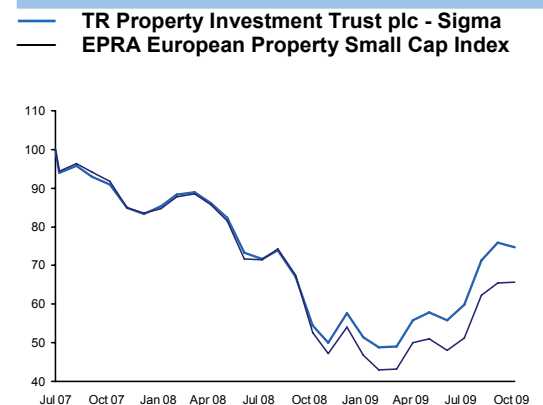
Offices	32.2
Retail	30.3
Industrial	14.0
Residential	19.3
Other	4.2
Total	100.0

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

Top 10 Holdings % of net assets

Eurocommercial	7.0
Vastned Retail	5.1
Befimmo	4.6
Conwert	4.2
Fabège	4.1
Citycon	3.6
Hansteeen	3.5
Great Portland	3.3
Derwent	3.1
Cofinimmo	2.9

NAV per share Price Performance 01.07.08 (rebased to £100) to 30.10.09



*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)	£115.0
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	Nil
Initial Charge	£0.65mn per annum plus 0.30% of net assets p.a.
Management Fee	15% of total return over the benchmark plus 2% hurdle
Performance Fee	

Investment Manager

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Stockbroker
Cenkos Securities PLC

Administrator
BNP Paribas
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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>

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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

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

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