

# 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

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Stock markets across Europe had a poor start in October, losing 4% during the first few days, echoing a 5% drop in September. The subsequent 10% rally was driven by expectations that politicians would deliver a comprehensive rescue package to the euro debt crisis at the EU Summit on 27 October. In this period of stubbornly high volatility Sigma was up 6.1% (total return, GBP) marginally outperforming its benchmark.

Markets continue to be entirely macro driven. Economic stress throughout the eurozone has continued to expose weak government in the likes of Greece and Italy. Indeed, at the time of writing (first week of November) both these countries are debating the possibility of temporarily installing 'technocratic' governments in place of their elected representatives. Whilst stable government with a mandate to impose structural changes and austerity measures is a necessary condition to moving forward, it is not in itself sufficient to deal with the real underlying problems facing the eurozone. In this regard, we are little further forward than we were in August or indeed in Spring 2010. We continue to believe that the politicians will eventually muddle through but we have little idea of the timetable. With a series of elections in France, Germany, Italy and Greece still to come it seems likely

that hot air will be in greater supply than hard decisions.

Markets are faced with a combination of issues, some big (slowing growth, possible recession, inflation/deflation) and some bigger (eurozone collapse, social unrest, credit crunch). It is unsurprising in this environment that strategies based on bottom up fundamentals and individual stocks are having a hard time. Nonetheless, we continue to believe that such a strategy is right for the long term and have a high degree of conviction that the structure of the portfolio is sound. We will continue to focus on those companies we believe will outperform over the longer term in the expectation that the pricing anomalies we see today will reverse over time.

## Fund performance to 31.10.2011 (%)

	Current month	YTD	1 year	3 year	5 year	Since launch		
NAV (capital only)	+6.30	-9.78	-7.30	+42.89	-	-22.31	NAV per share (capital only)	93.89p
FTSE EPRA/NAREIT European Property Small Cap Index (capital only, GBP)	+5.83	-9.39	-6.93	+29.96	-	-28.66	Share price	74.45p
Share price	-1.39	-4.55	-5.40	+55.92	-	-29.93	Discount	20.70%
							Yield	2.89%

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	2.7
Belgium	2.0
Central Europe	5.7
Finland	4.4
France	12.2
Germany	17.8
Italy	7.7
Netherlands	3.0
Norway	3.5
Other Overseas	0.3
Russia	0.2
Spain	0.9
Sweden	12.7
Switzerland	0.3
UK	26.6
<b>Total</b>	<b>100.0</b>

## Fund performance 25.07.2007 to 31.10.2011



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):** £117.1mn  
**Net gearing:** 6.7%  
**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	11.1
Offices	36.7
Other	7.0
Residential	15.3
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
SHAFTESBURY	5.4
GSW IMMOBILIEN NPV	5.1
DEUTSCHE EUROSHOP NPV	5.1
FABEGE AB	3.9
EUROCOMMERCIAL CVA	3.8
VASTNED RETAIL	3.7
CA IMMOBILIEN ANLAGEN NPV	3.4
KUNGSLEDEN SEK NPV	3.2
NORWEGIAN PROPERTY	2.8

## Asset allocation (%)

Continental Shares	67.7
UK Shares	32.3
<b>Total</b>	<b>100.0</b>

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