

TR Property Investment Trust AGM Presentation

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Contents

- Results review – what drove performance in the year to March 2019
- Key features and positioning
- What has happened since the year end (a lot!)
- Outlook

Investment risks

The value of investments and any income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

The market value of the shares of TR Property may not reflect the underlying net asset value of the investments held by TR Property.

TR Property is able to borrow to raise further funds for investment purposes if the fund manager and the board of directors consider that it may be commercially advantageous to do so. This is generally described as "gearing". An investment trust which has made investments as a result of gearing may have a more volatile share price as a result; gearing can increase shareholder returns in rising markets but conversely can increase the extent to which the value of the funds attributable to shareholders decreases in falling markets.

The value of property-related securities and directly held property reflect the opinion of valuers and are reviewed periodically. These assets can also be illiquid and significant or persistent redemptions may require the manager to sell properties at a lower market value adversely affecting the value of your investment.

Highlights for the year to March 2019

- Net assets £1.32bn, market cap £1.25bn
- Total shareholder return of +6.2%
- Net asset value total return +9.1%
- Relative outperformance of the benchmark (after fees) +350bps
- Dividend growth (year on year) of +10.7%
- Physical property 7% of assets (same as last year)
- Pan-European exposure proved resilient
- Retail remains our greatest concern

Source: BMO Global Asset Management as at 29.03.2019

Standardised performance

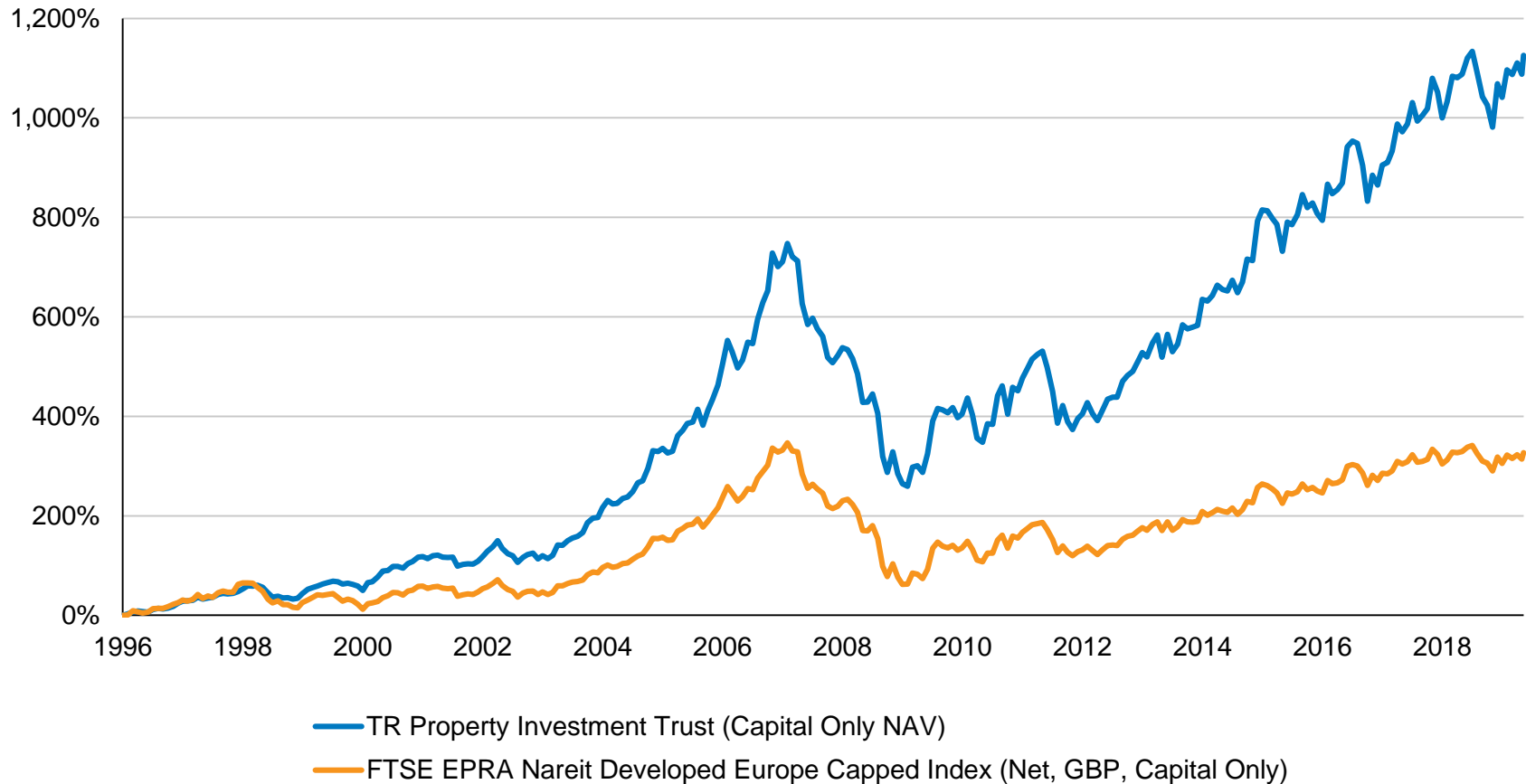
	Percentage Growth (%)				
	Mar 14 - Mar 15	Mar 15 - Mar 16	Mar 16 - Mar 17	Mar 17 - Mar 18	Mar 18 - Mar 19
TR Property Investment Trust (NAV with Income)	28.2%	8.2%	8.0%	15.5%	9.1%
FTSE EPRA Nareit Developed Europe Capped Index (Net, GBP, Total Return)	23.3%	5.4%	6.5%	10.2%	5.6%
TR Property Investment Trust (Capital Only NAV)	24.8%	5.9%	4.5%	12.1%	5.6%
FTSE EPRA Nareit Developed Europe Capped Index (Net, GBP, Capital Only)	19.7%	2.9%	3.6%	7.2%	2.4%
Share Price	29.5%	-1.6%	9.1%	25.5%	6.2%

Past performance should not be seen as an indication of future performance.

All fund performance is presented net of fees.

Source : BMO Global Asset Management. Data as at 29.03.2019

Track record

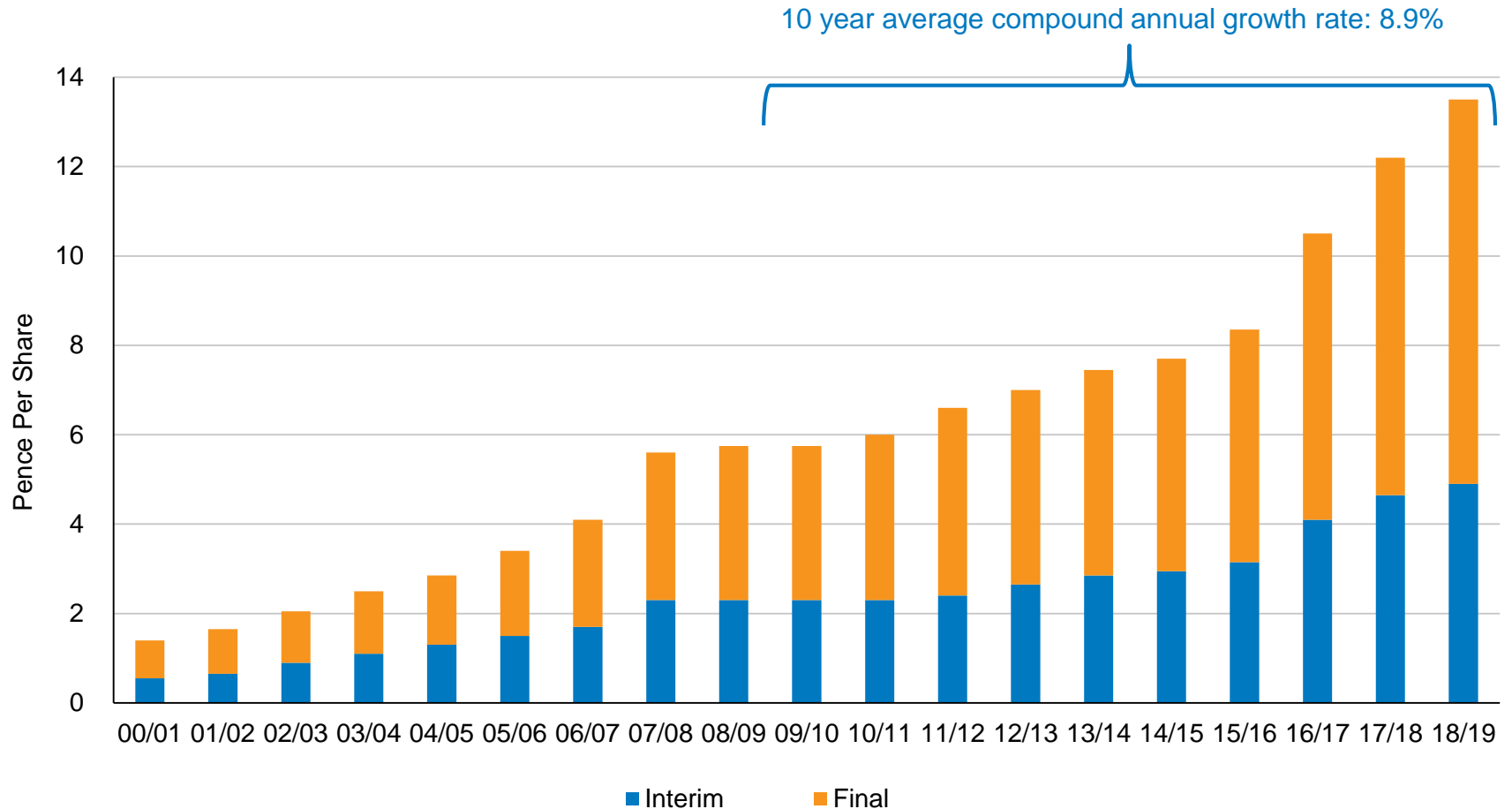


Past performance is not a guarantee to future performance.

Benchmark: Prior to 01.04.2013 FTSE EPRA Nareit Developed Europe Index (Net, GBP). Prior to 01.04.2012 FTSE EPRA Nareit Developed Europe Index (GBP). Prior to 01.04.2007 S&P Citigroup European Property Index. Prior to 01.09.2001 FTSE Real Estate index.

Source : BMO Global Asset Management. Data as at 08.07.2019

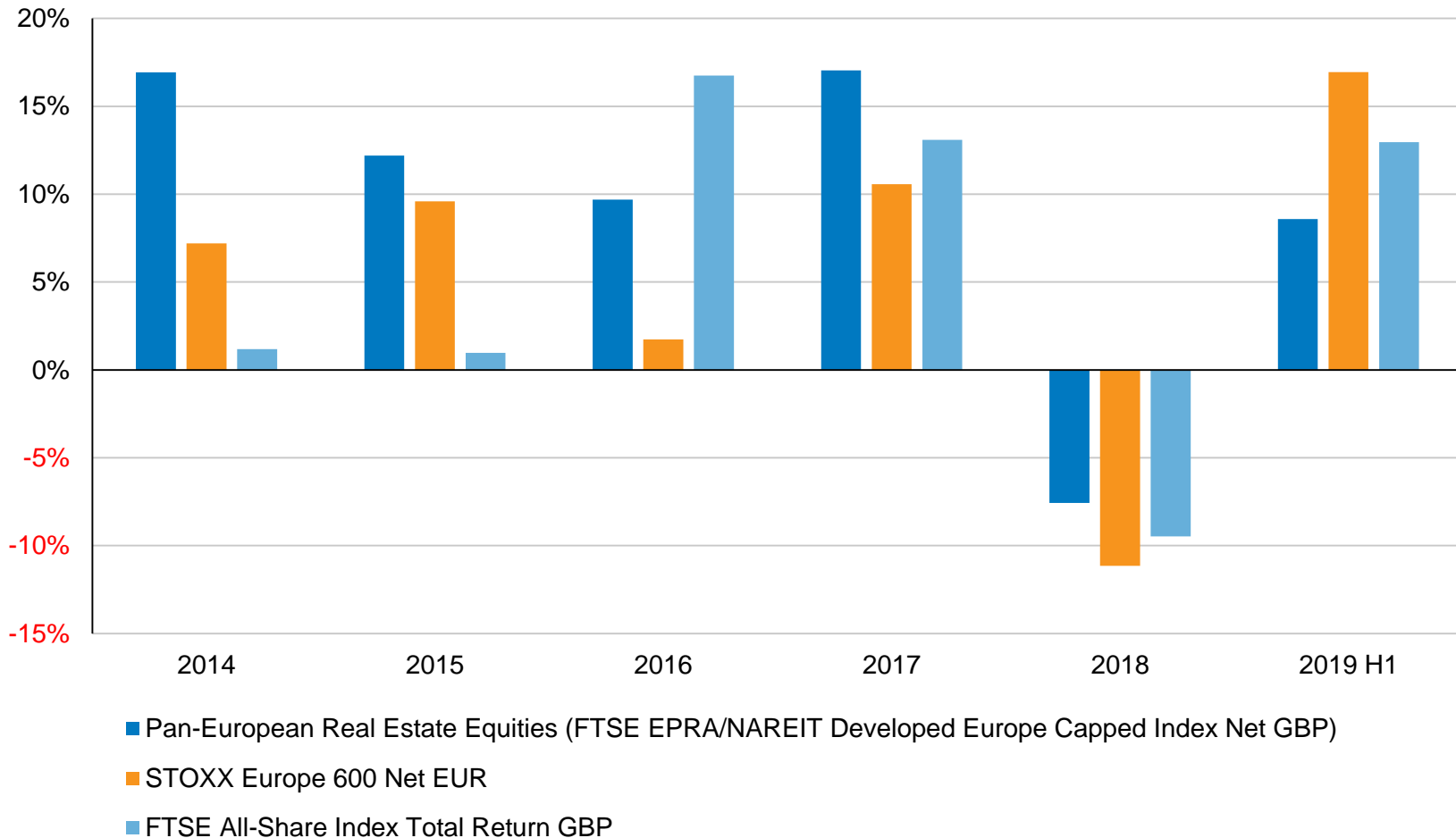
Dividend history



Past performance should not be seen as an indication of future performance.

Source : BMO Global Asset Management. Data as at 09.07.2019

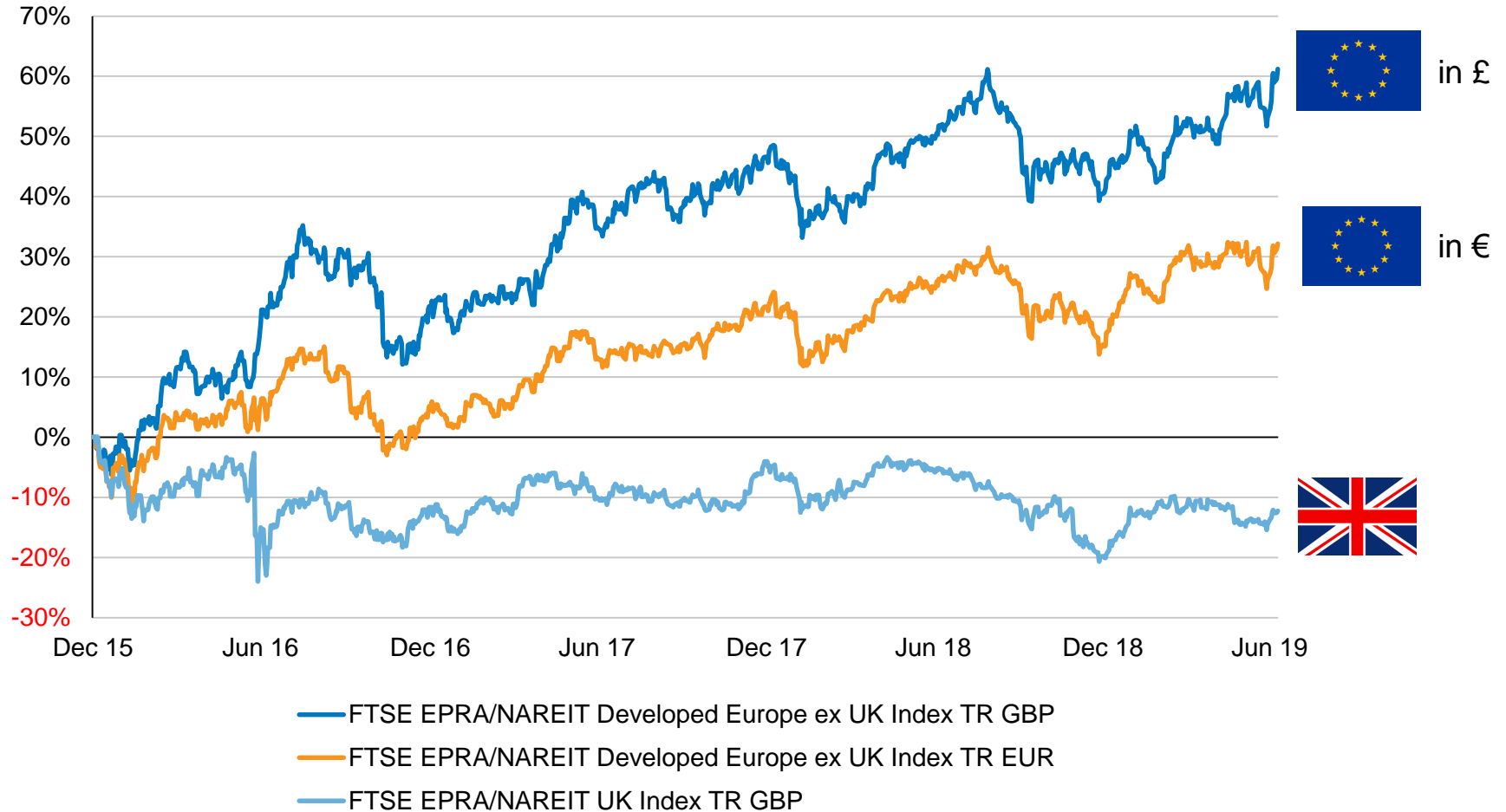
Pan-European real estate equities have outperformed broader European equities



Past performance is not a guarantee to future performance.

Source: Bloomberg as at 28.06.2019

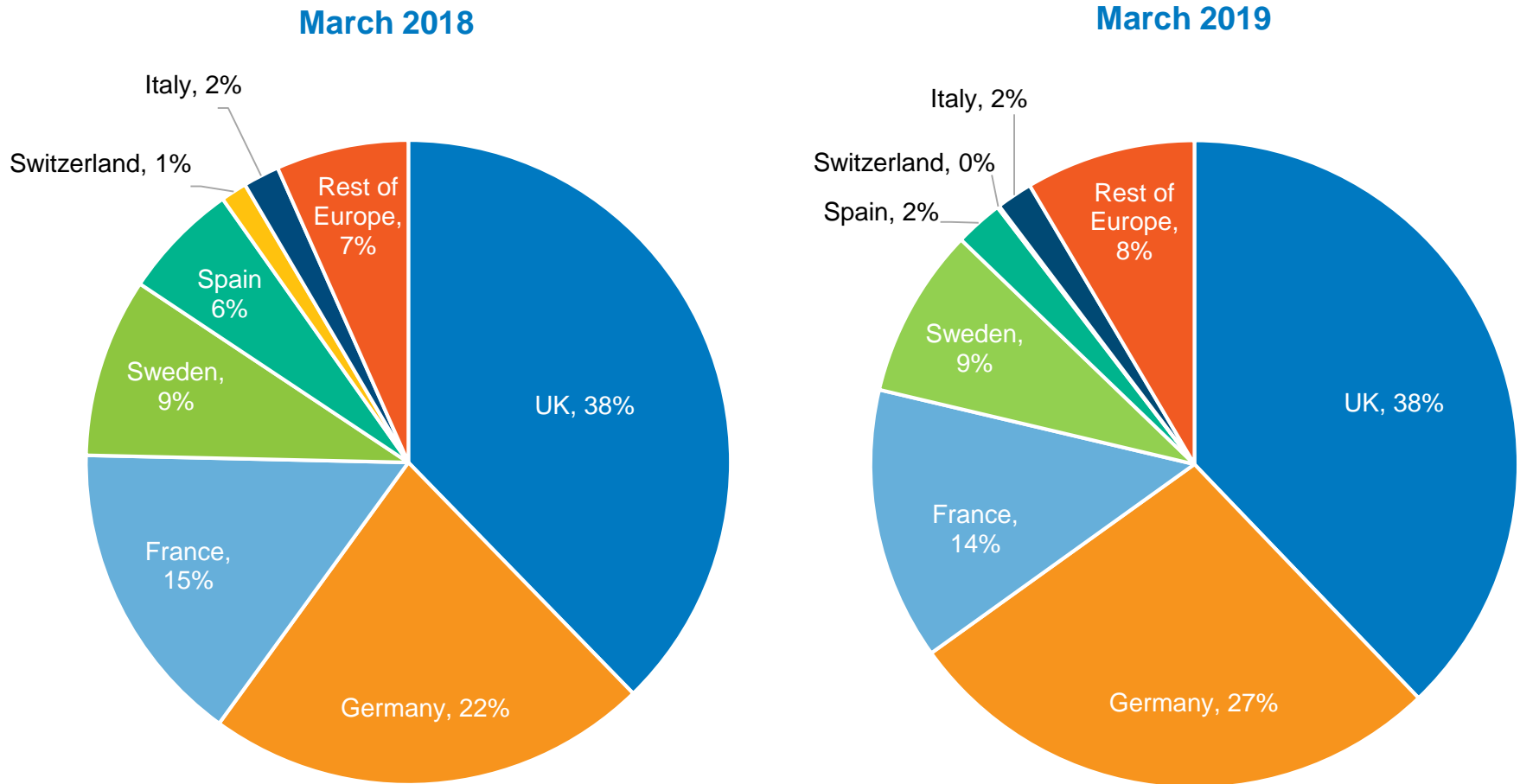
UK vs. Continental Europe – Brexit still weighs heavily



Past performance is not a guarantee to future performance.

Source: BMO Global Asset Management as at 09.07.2019

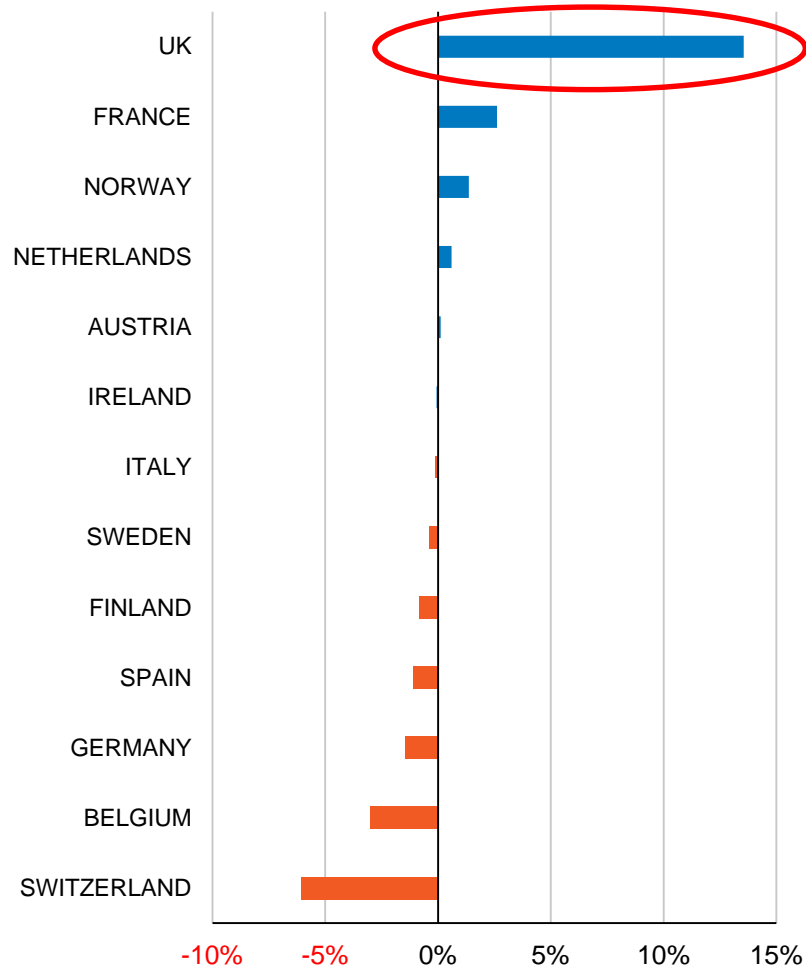
See-through geographic exposure – didn't change much



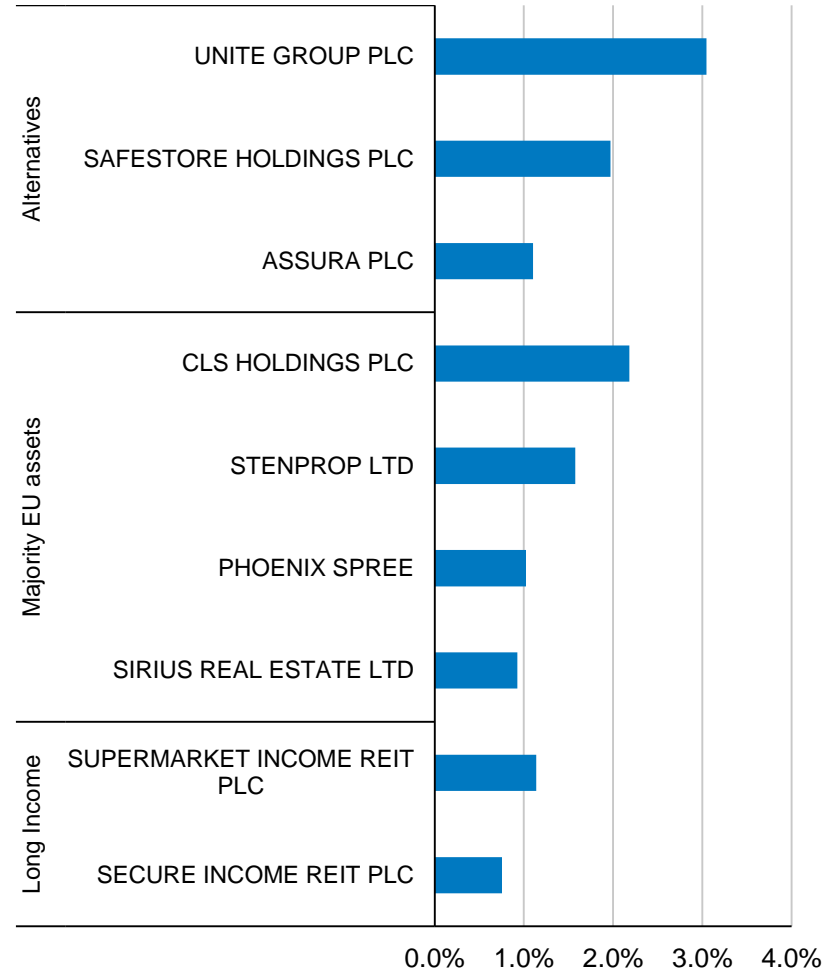
Source: BMO Global Asset Management see-through exposure calculation model. Data as at 30.03.2018 & 29.03.2019.

Equity portfolio

Relative country exposure vs benchmark



UK overweight exposure



Source : BMO Global Asset Management. Data as at 10.07.2019

Key positioning and where it worked (or not)



Overweight logistics

Pan-Europe

Underweight Switzerland

Overweight alternatives

'Meds' and 'Beds' – student accommodation, hotels, healthcare, self-storage

Underweight Spain

Overweight long, secure income

Secure Income REIT, Supermarket Income REIT

Underweight German offices but our overweight to residential worked

Underweight retail

Both in UK and Europe – but still had some exposure

UK physical portfolio (7% of assets)

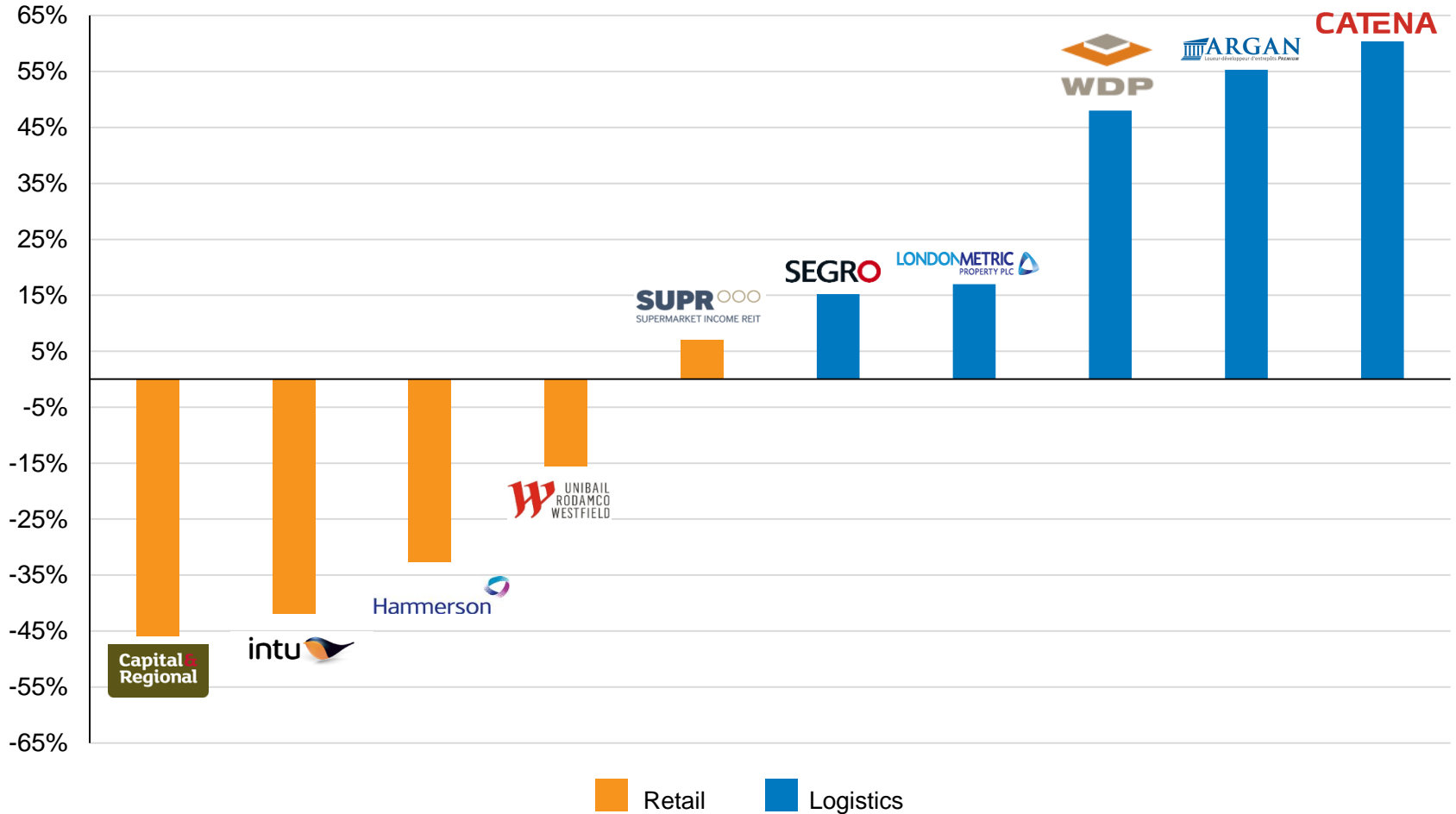
Performance in line with equity portfolio returns

Overweight Landsec v. British Land

1 year total return +2.9% v. -3.3%

Source : BMO Global Asset Management as at 29.03.2019

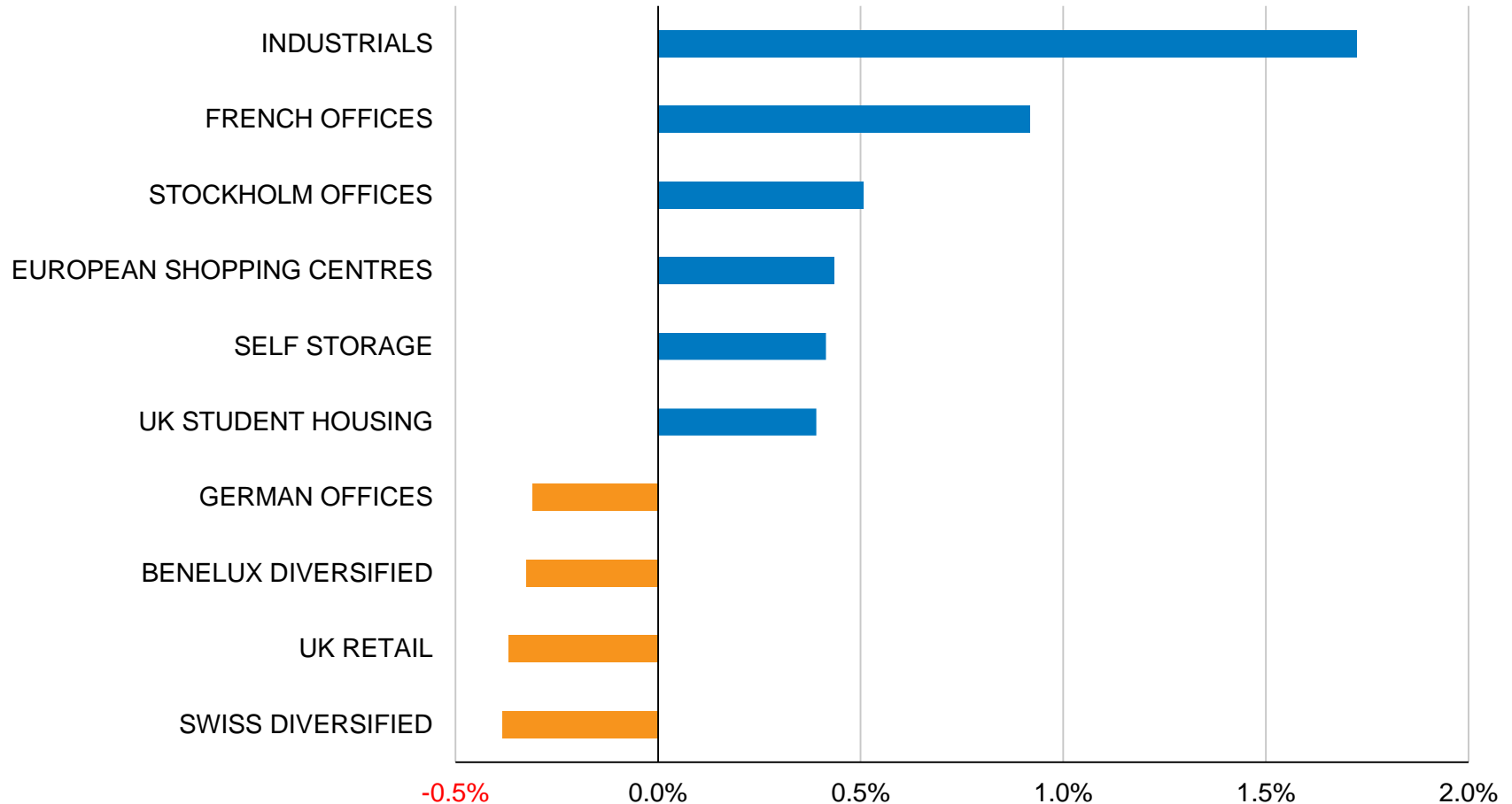
Retail: weakest performer (again)
 Logistics: strongest performer (again)



1 yr total return (%)

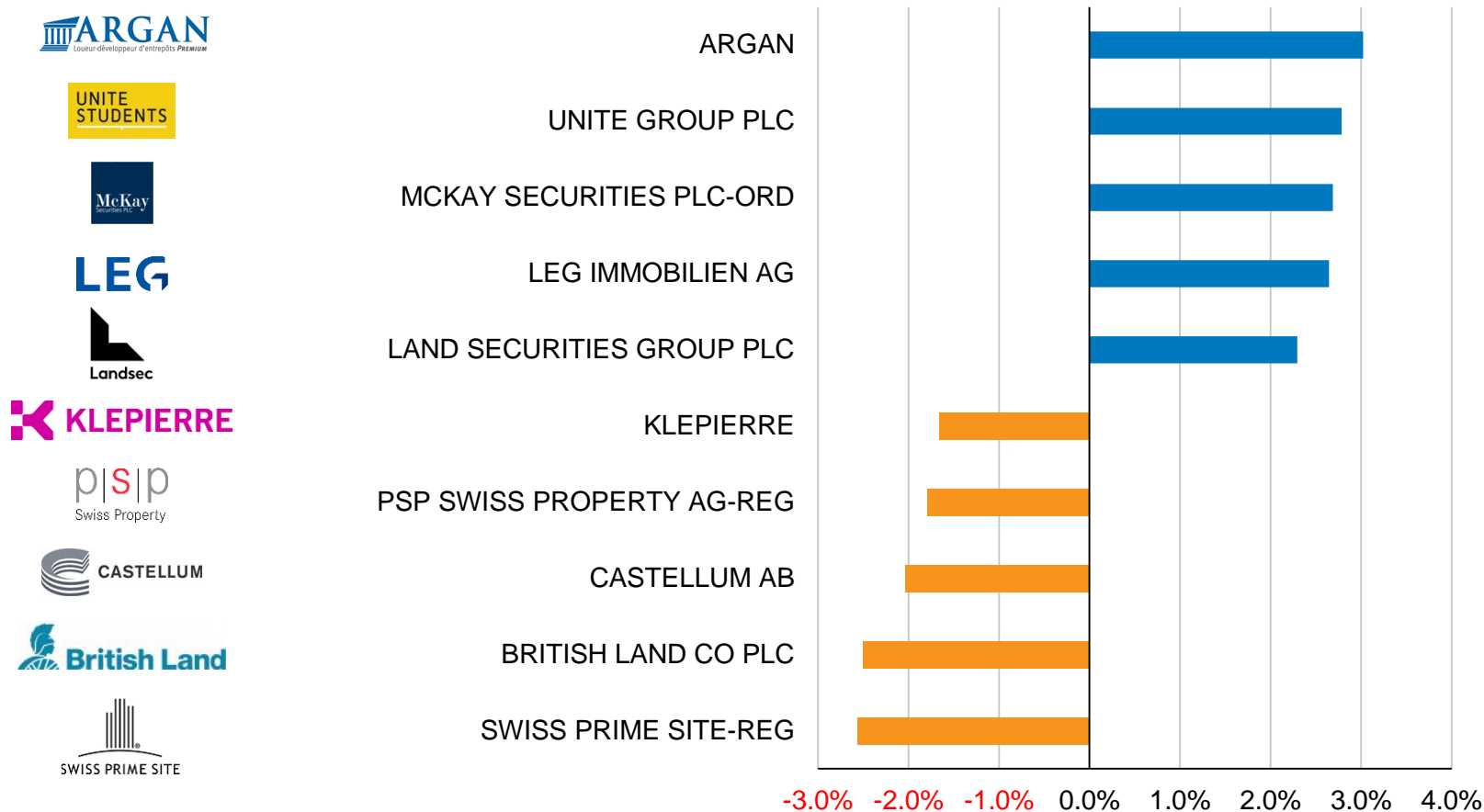
Source: BMO Global Asset Management as at 29.03.2019

Top contributors to relative performance FY 18/19



Source: Bloomberg as at 29.03.2019







Portfolio profile – largest active positions vs. benchmark



- Active positioning of equity portfolio (all overweights and underweights / 2): c.45%

Source: BMO Global Asset Management as at 28.06.2019. FTSE EPRA/NAREIT Developed Europe Capped Net Total Return Index (GBP).

Small cap M & A – big gains for the fund

	12 mth performance to announcement			*% of net assets
	54% (to 13 Nov '17)	Acquired by Colonial	Q2/18	0.5%
	28% (to 22 Jun '18)	Acquired by Blackstone	Q3/18	4.3%
	37% (to 14 Feb '19)	Majority acquired by Swiss Life	Q1/19	1.9%
	19% (to 23 May '19)	Acquired by London Metric	Q2/19	1.0%
	-1% (to 03 Jul '19)	Recommended offer to sell to CBRE	Q2/19	0.8%
	15% (to 15 Apr '19)	Announced intention to liquidate portfolio	Q2/19	2.1%

*at date of announcement on 31.03.2019. Source: BMO Global Asset Management

Physical property portfolio (7% of assets)

- Southern UK only
- London long-term regeneration

Bayswater



Wandsworth



- Preferred sub-sectors – Industrial, logistics, decentralised offices

Gloucester



Bristol



Harlow



Source: BMO Global Asset Management as at 14.05.2019

The Colonnades, Bayswater

March 2015



- 22,000 sqft Waitrose supermarket, lease expiry 2016 at a rent of £25 per sqft
- 23,000 sqft of other office and retail accommodation on short leases

March 2016

- 43,000 sqft Waitrose supermarket at first floor, 20 year lease 3% p.a. fixed uplifts at a rent of £28.70 per sqft
- 15,000 sqft of 'new' lettable space added within the existing envelope
- 1 restaurant unit available



Source: BMO Global Asset Management

Ferrier Street, Wandsworth

Current



- 35,000 sqft industrial estate
- 16 ground floor units
- 1976 construction – inflexible and high obsolescence
- Rents are c£20 per sqft

Proposed

- 106 unit residential (35% affordable)
- 55,000 sqft of office
- 63,000 sqft of light industrial
- New community playground
- Industrial public realm



Source: BMO Global Asset Management

Outlook



Rates staying low in Europe



UK student housing, German offices, Paris CBD offices, Stockholm offices, Madrid offices, industrial – pan Europe



Doing brisk business. Still record low funding cost for property companies and record bond issuance



Brexit negotiations, China/US trade tension, stronger USD, emerging market weakness

Political risk



Italian deficit. Rise of populist parties in southern Europe



Brexit negotiations overshadowing investment. Ongoing GBP weakness



Populist disenchantment

ECB - European Central Bank; CBD - Central Business District.

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