TR Property Investment Trust

Annual General Meeting – Manager's Presentation

18th July 2024

TR Property

COLUMBIA THREADNEEDLE™ ALTERNATIVES

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.

Investments which are concentrated in a specific sector or country may result in less diversification and hence more volatility in investment values.
The value of directly held property reflects the opinion of valuers and is 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.

Standardised performance

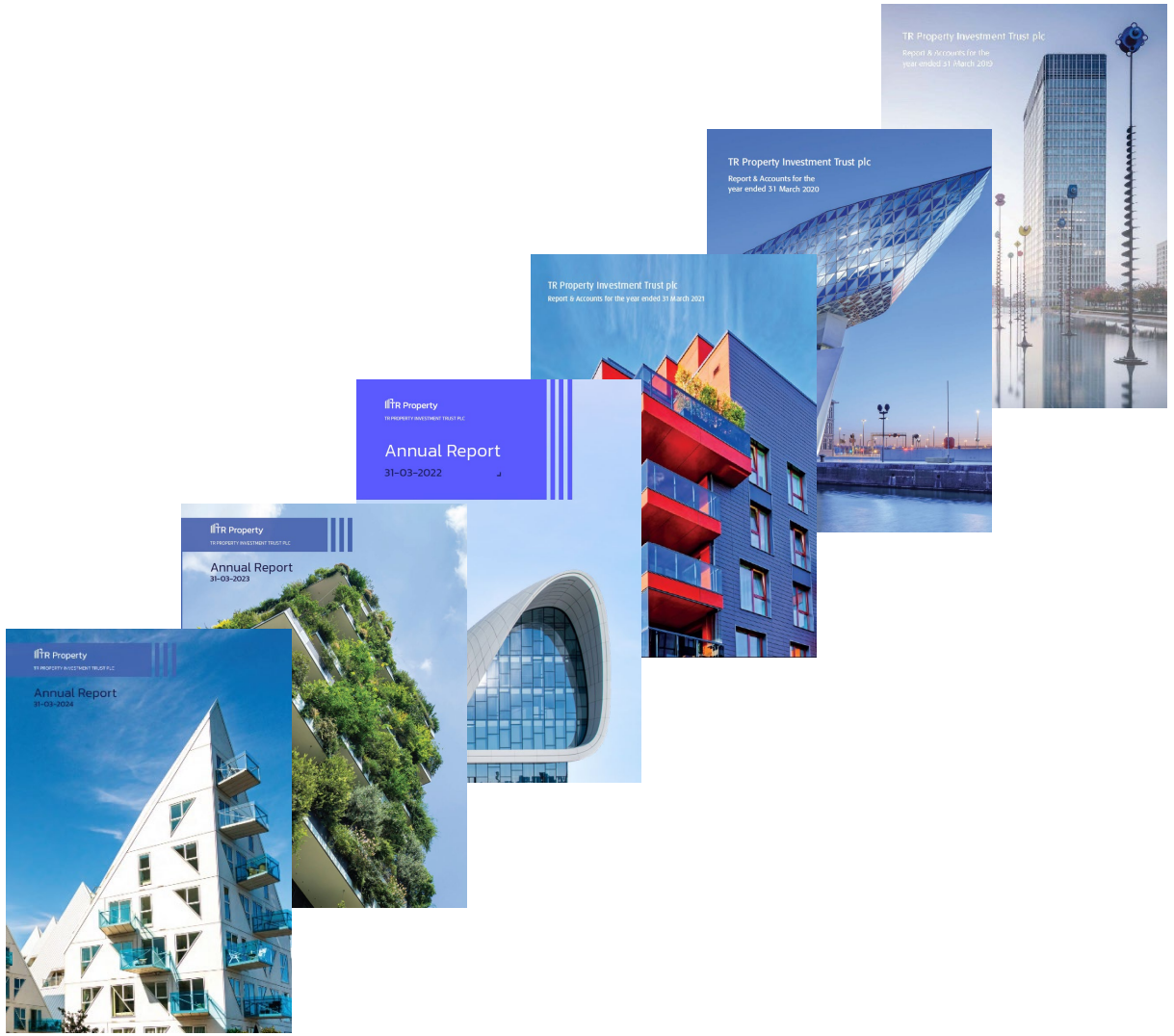
	Percentage Growth (%)				
	Jun 19 - Jun 20	Jun 20 - Jun 21	Jun 21 - Jun 22	Jun 22 - Jun 23	Jun 23 - Jun 24
TR Property Investment Trust (NAV with Income)	-2.4%	23.7%	-16.6%	-19.2%	22.4%
FTSE EPRA Nareit Developed Europe Capped Index (Net, GBP, Total Return)	-5.9%	18.0%	-21.5%	-19.8%	21.4%

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

Source : Columbia Threadneedle Investments. Data as at 06.07.2024

Agenda

- Results review – year to March 2024
- Drivers of performance in the year
- Positioning
- Physical portfolio
- Outlook
- Q&A

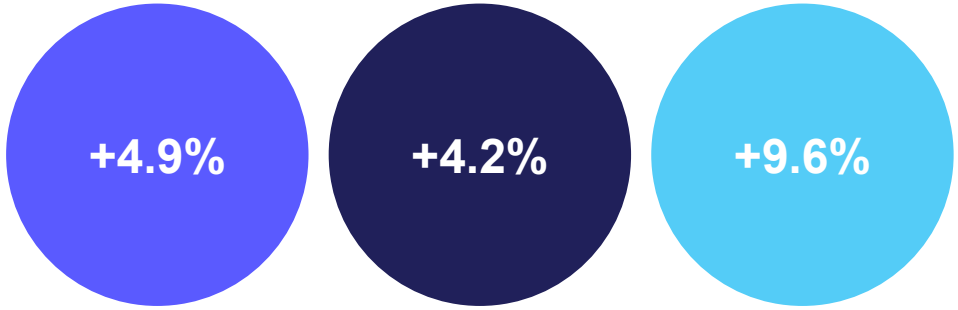


Performance for the year to March 2024 and financial year to date

TR Property

Full year to 31 March 2024

31 March 2024 to 16 July 2024

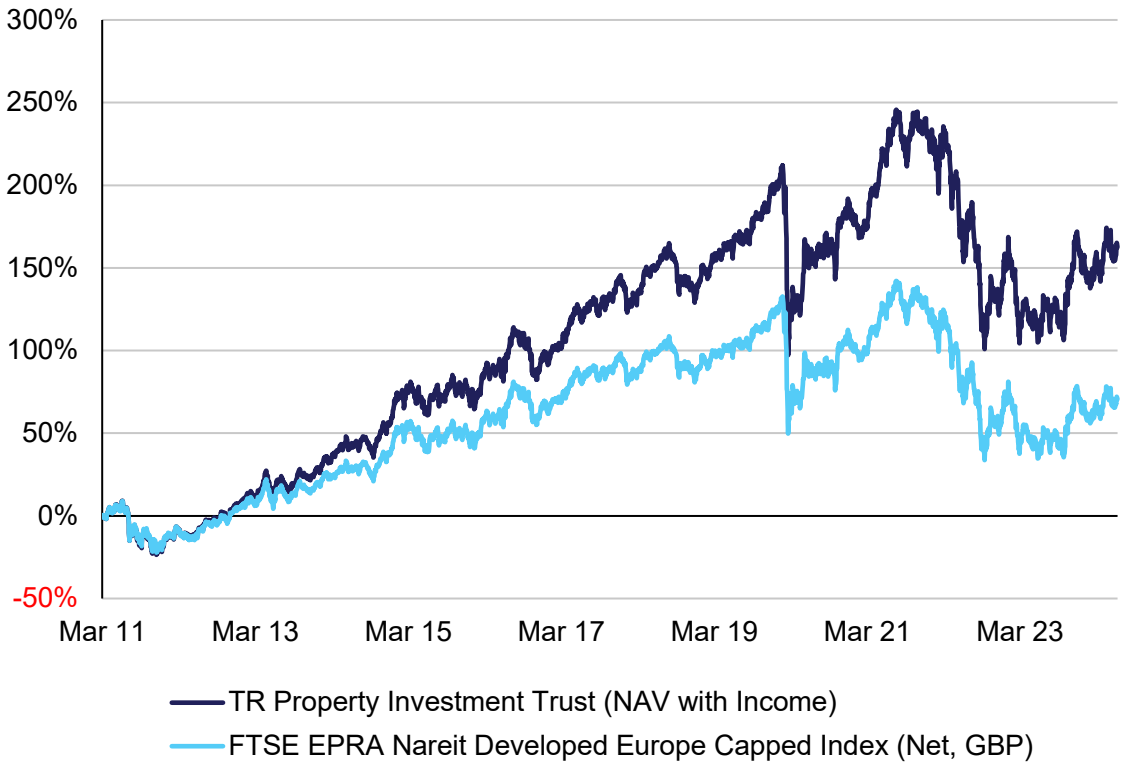


Past performance should not be seen as an indication of future performance.

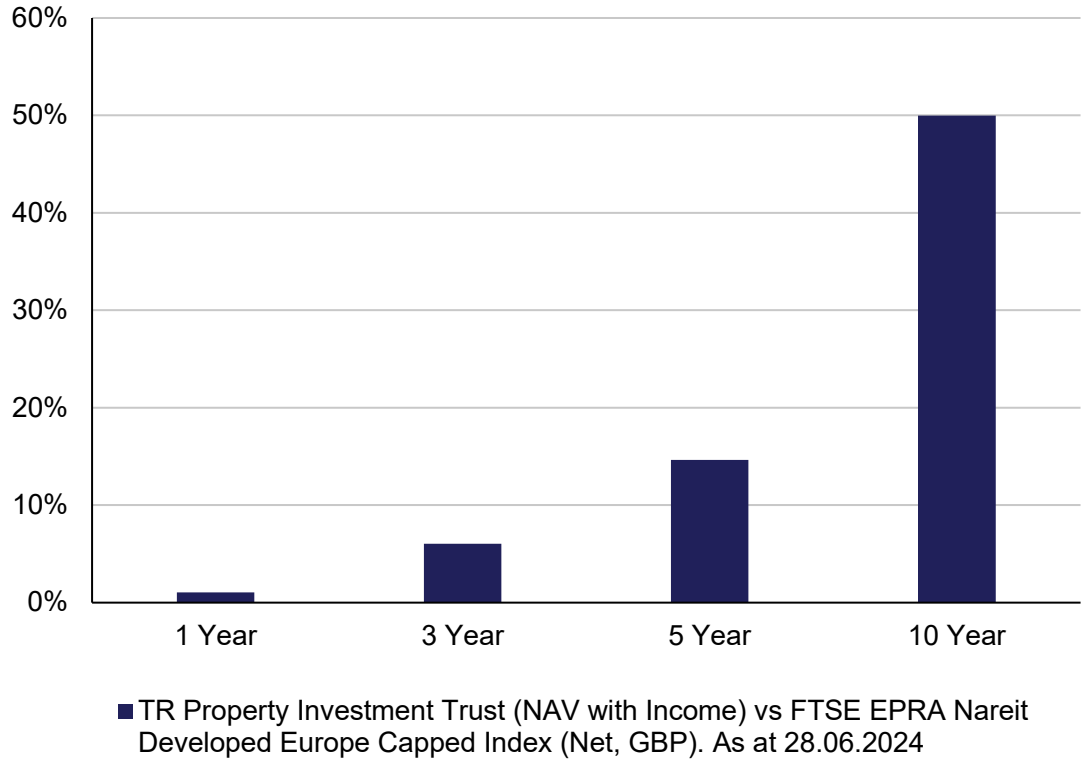
Source : Columbia Threadneedle Investments as at 09.07.2024

A better year of relative performance after a difficult FY23

Net Asset Value vs. Benchmark



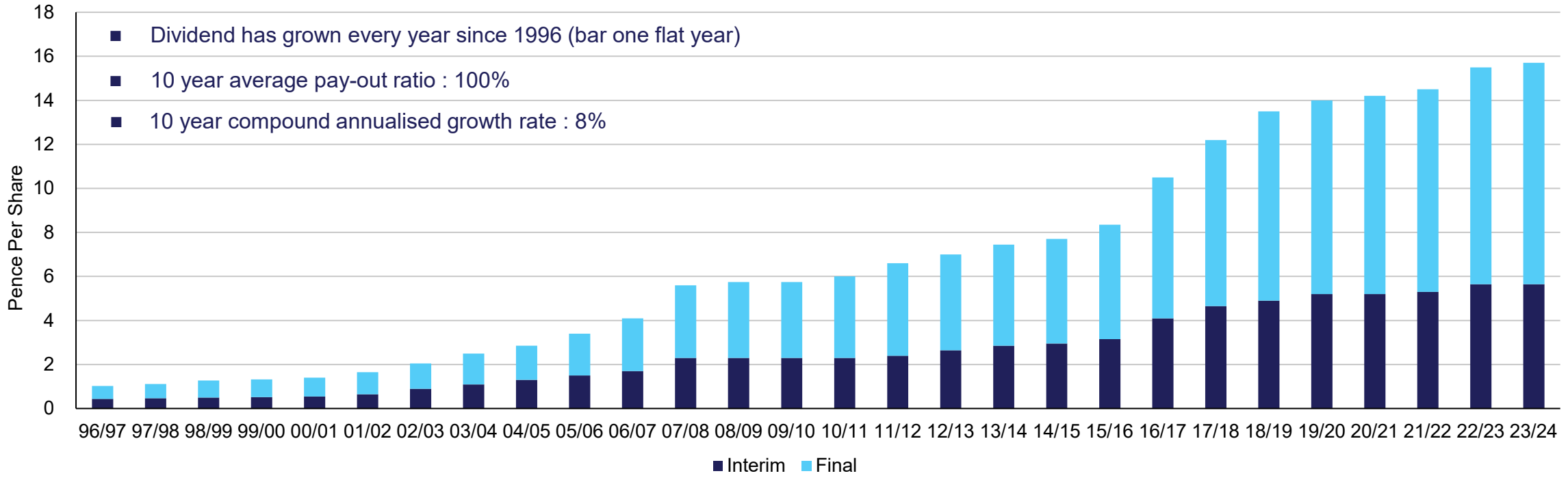
Cumulative Alpha Generation



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 : Columbia Threadneedle Investments. Data as at 08.07.2024

Dividend history – current yield 4.8%



- FY24 DPS : 15.70p (FY23 DPS : 15.50p)
- FY24 EPS : 12.04p (FY23 EPS : 17.22p)

Past performance should not be seen as an indication of future performance. There is no guarantee that dividends will continue to increase.

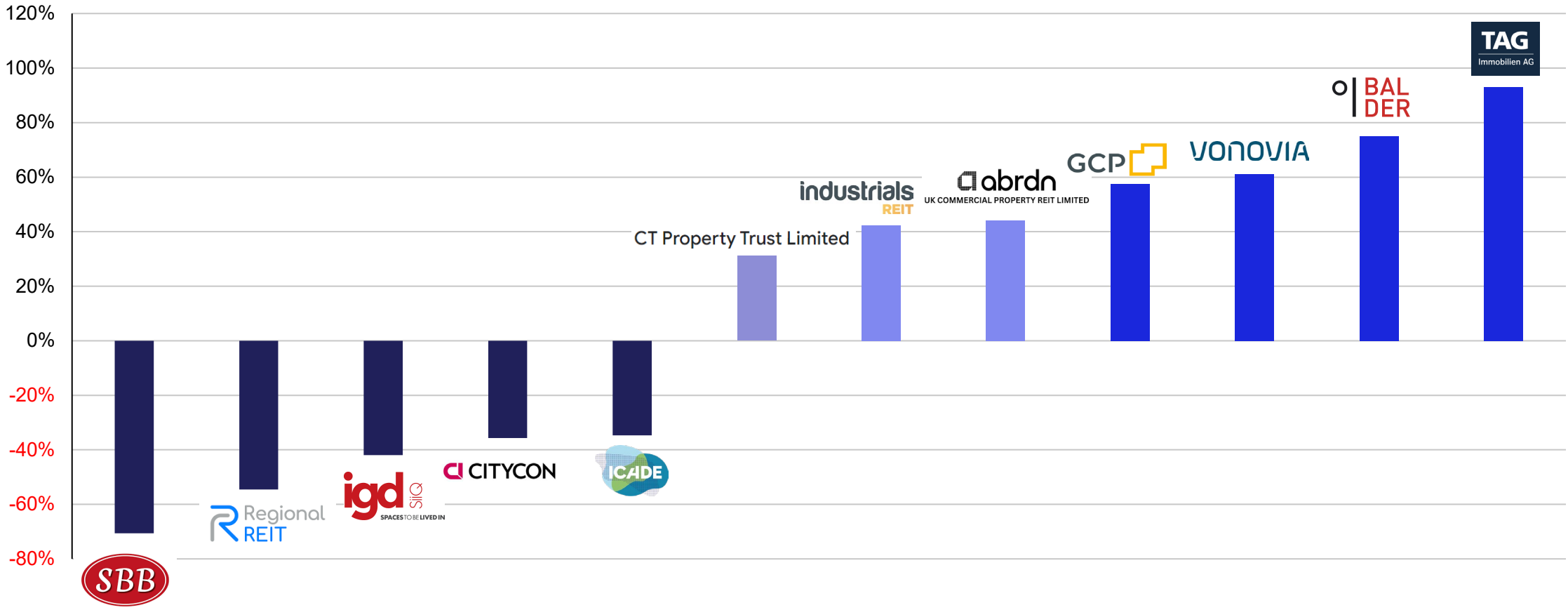
Source : Columbia Threadneedle Investments. Data as at 06.07.2024

Drivers of return in the year to March 2024

- Expectation of interest rate cycle peaking
- ECB and Riksbank first to cut interest rates
- Bond markets reopening but margins remain elevated
- Underlying transaction evidence improving in many (but not all) of our sectors
- Earnings robust given high levels of fixed price debt
- M&A activity

Notable performers

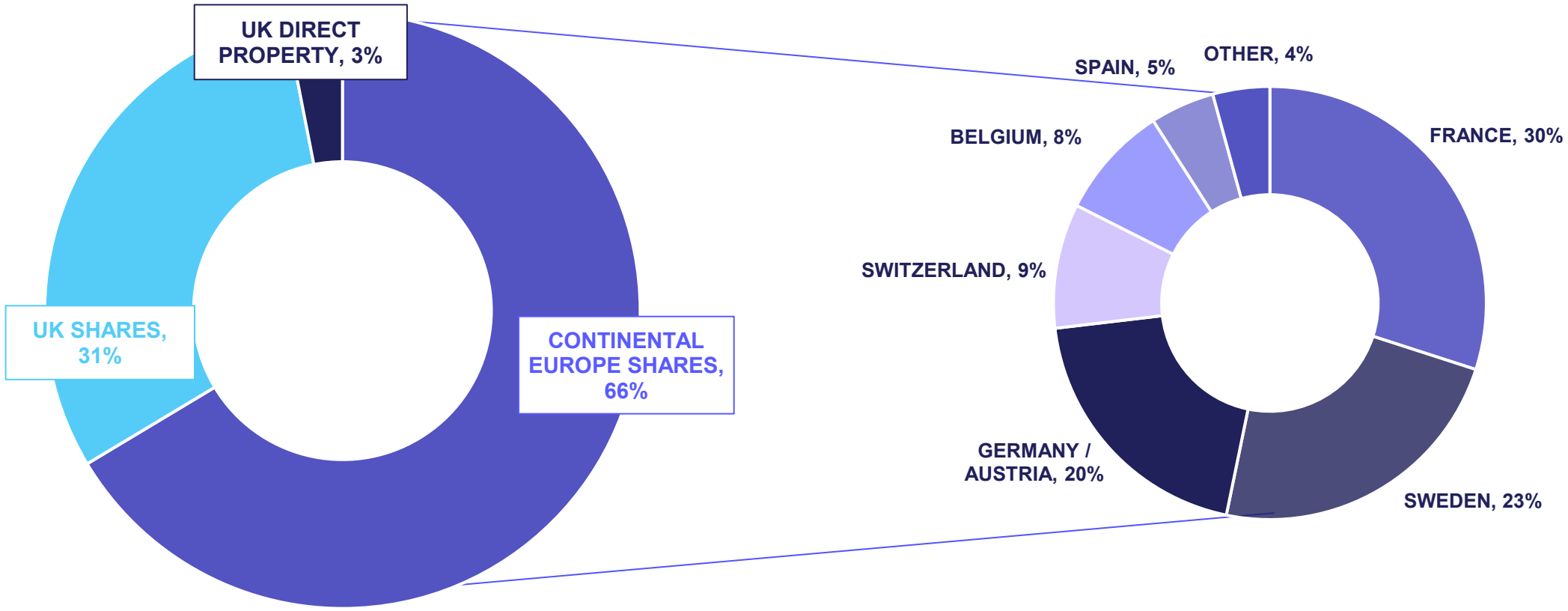
For the year to 31 March 2024



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

Companies referenced are those in the FTSE EPRA/Nareit Developed Europe Capped TR Net GBP Index. Performance numbers are total return and converted to GBP.
Source : Columbia Threadneedle Investments. Data as at 11.07.2024. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Portfolio exposure today



Note : Exposure as % of allocated capital
Source : Columbia Threadneedle Investments. Data as at 05.07.2024

Q1 & Q2 2024 – position changes

TR Property

‘Adding beta’ — BALDER, CASTELLUM

Participating in offensive raises — SEGRO, ARGAN, Sirius

M&A potential — TRITAX EUROBOX, abrdn UK COMMERCIAL PROPERTY REIT LIMITED

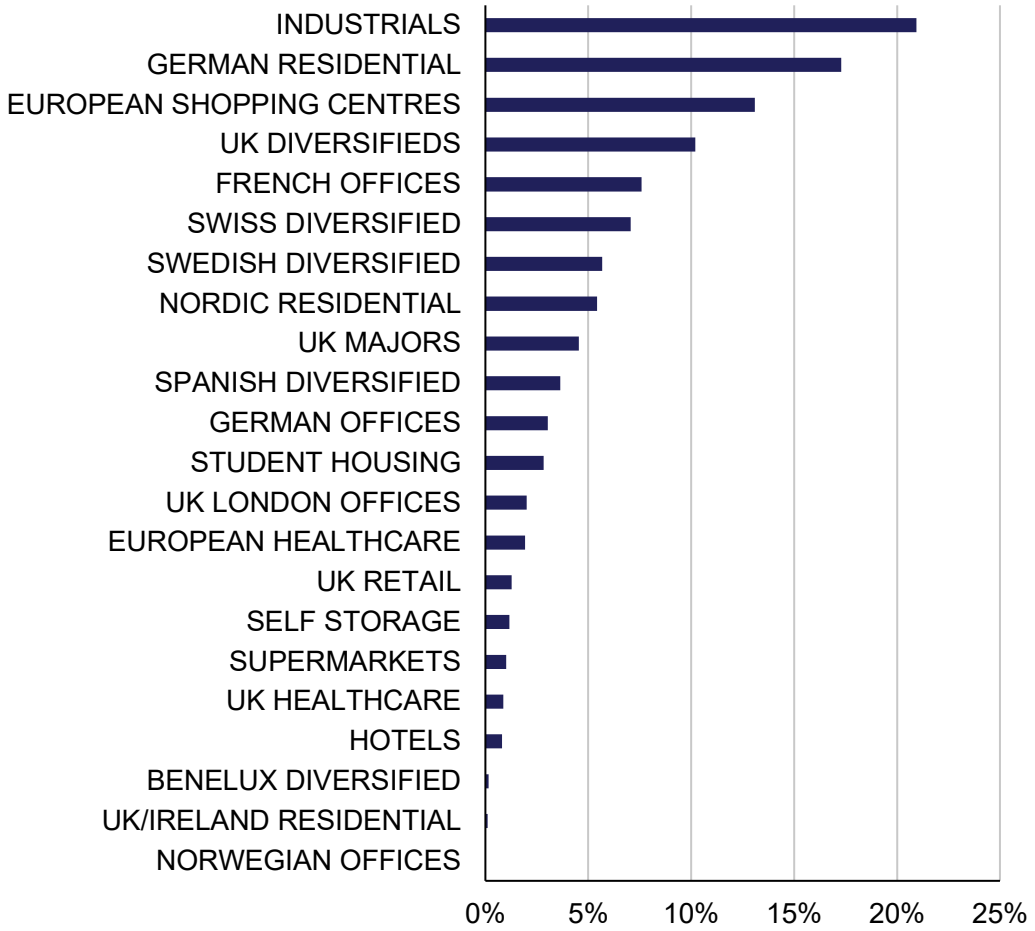
Weaker income growth — assura, PHP Primary Health Properties, safestore

Physical portfolio – temporary reduction — **Colonnades sale**

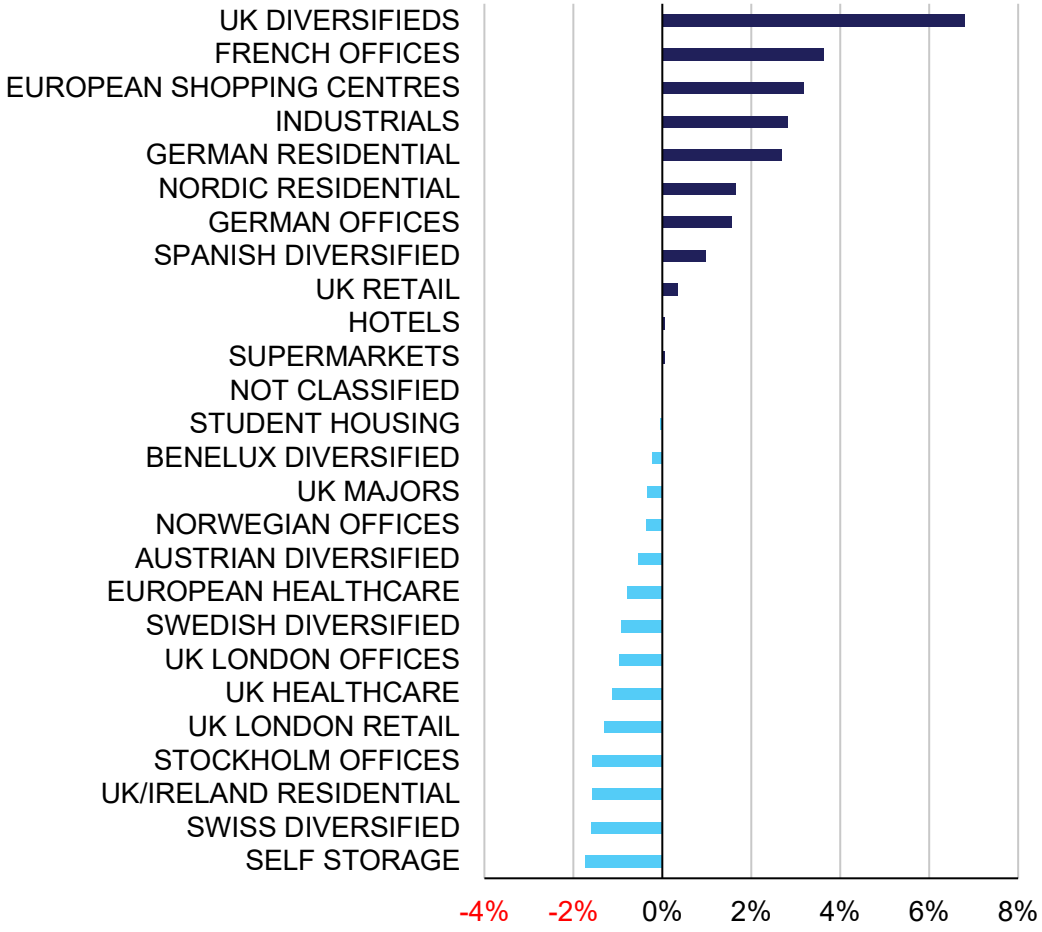
Source : Columbia Threadneedle Investments as at 11.07.2024. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Sector positioning

Absolute



Relative to the benchmark



Source : Columbia Threadneedle Investments. Data as at 05.07.2024

Physical property portfolio (3.7% of assets)

London long-term regeneration

Bayswater

Wandsworth

Preferred sub-sectors
- **Industrial & logistics**

Gloucester

Bristol

Source : Columbia Threadneedle Investments. Data as at 05.07.2024

The Colonnades, Bayswater

TR Property

REDEVELOPMENT

- 44,000 sq ft Waitrose on 20 year lease
- 17,000 sq ft of retail (ground floor)
- Rent increased by over 140%
- Transformed locality
- CAPEX - £8m

PURCHASE

- Long Leasehold (1998) - £8.4m. Freehold (2002)
- 242 Flats
- 20,000 sq ft Budgens supermarket (ground floor)
- 12,000 sq ft first floor office
- 5,000 ground floor retail
- **Total income - £1.0m***

Waitrose REBEL Specsavers GRAHAM & GREEN

SOLD

- Residential - £1.8m (2020) & £5.0m (2022)
- Residential lease extensions - £11.3m (1998 to 2022)
- Commercial - £33.5m (2024)
- Total - £51.6m
- **Total income at sale - £2.4m**

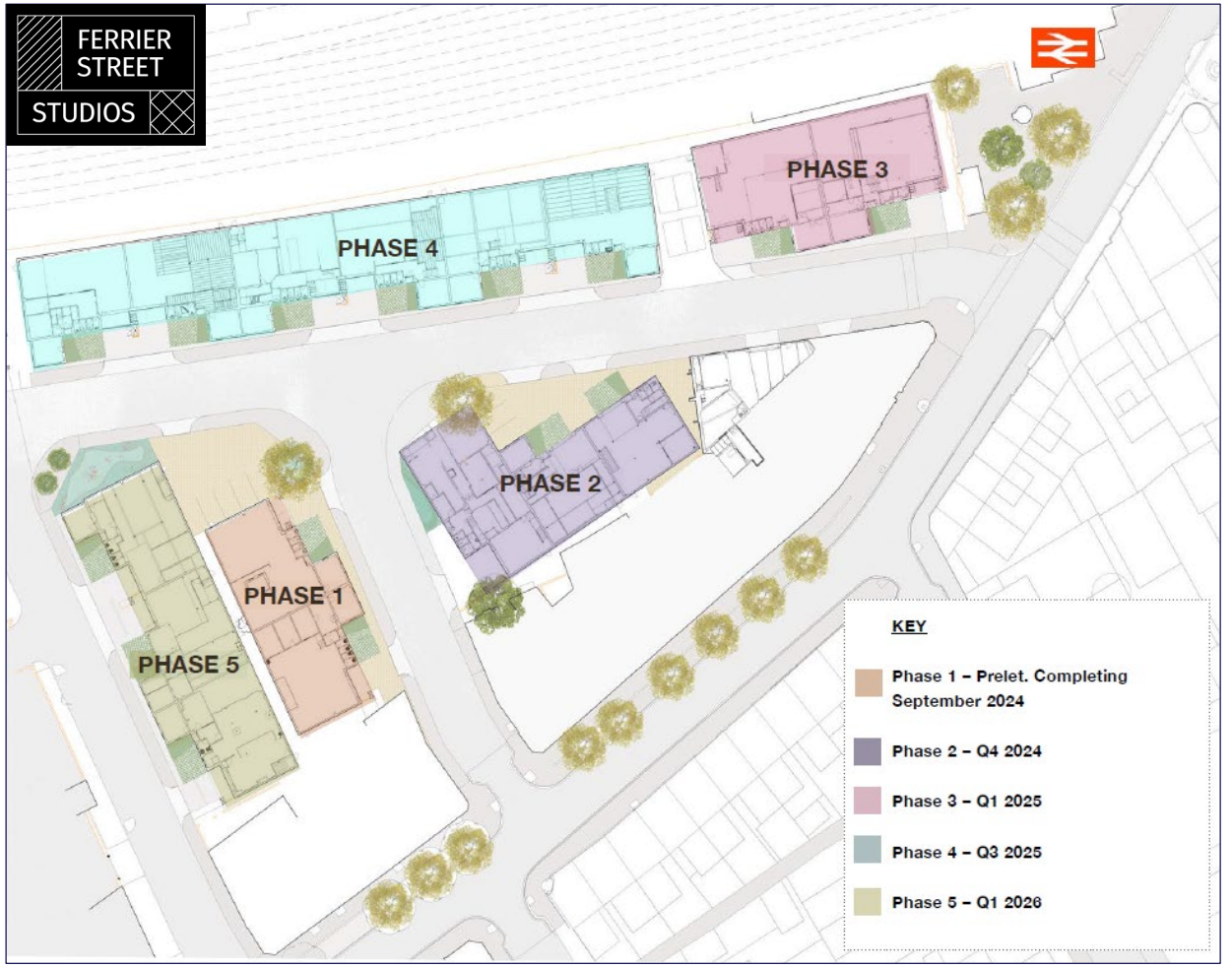
*Prior to redevelopment

Source : Columbia Threadneedle Investments. Data as at 12.03.2024. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Ferrier Street, Wandsworth

Ultra-urban industrial refurbishment

- c.3,000 sq ft ultra-urban industrial workspace units
- Targeting EPC A+
- Net zero carbon in use
- Total expected capex - £4m

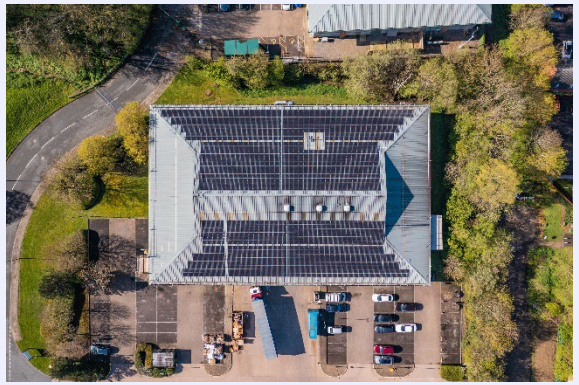


Source : Columbia Threadneedle Investments. Data as at 11.07.2024. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

ESG credentials

Direct action

Gloucester



"Infusion GB are extremely committed to reducing our environmental footprint and the installation of Solar PV at Gloucester was a critical step towards this. The proactive engagement of TRPIT was instrumental to this and enabled us to install a self-generating power source to our buildings. This initiative has been incredibly well received by customers, suppliers and employees alike."

Bruce Stevens, Commercial Director, Infusion GB

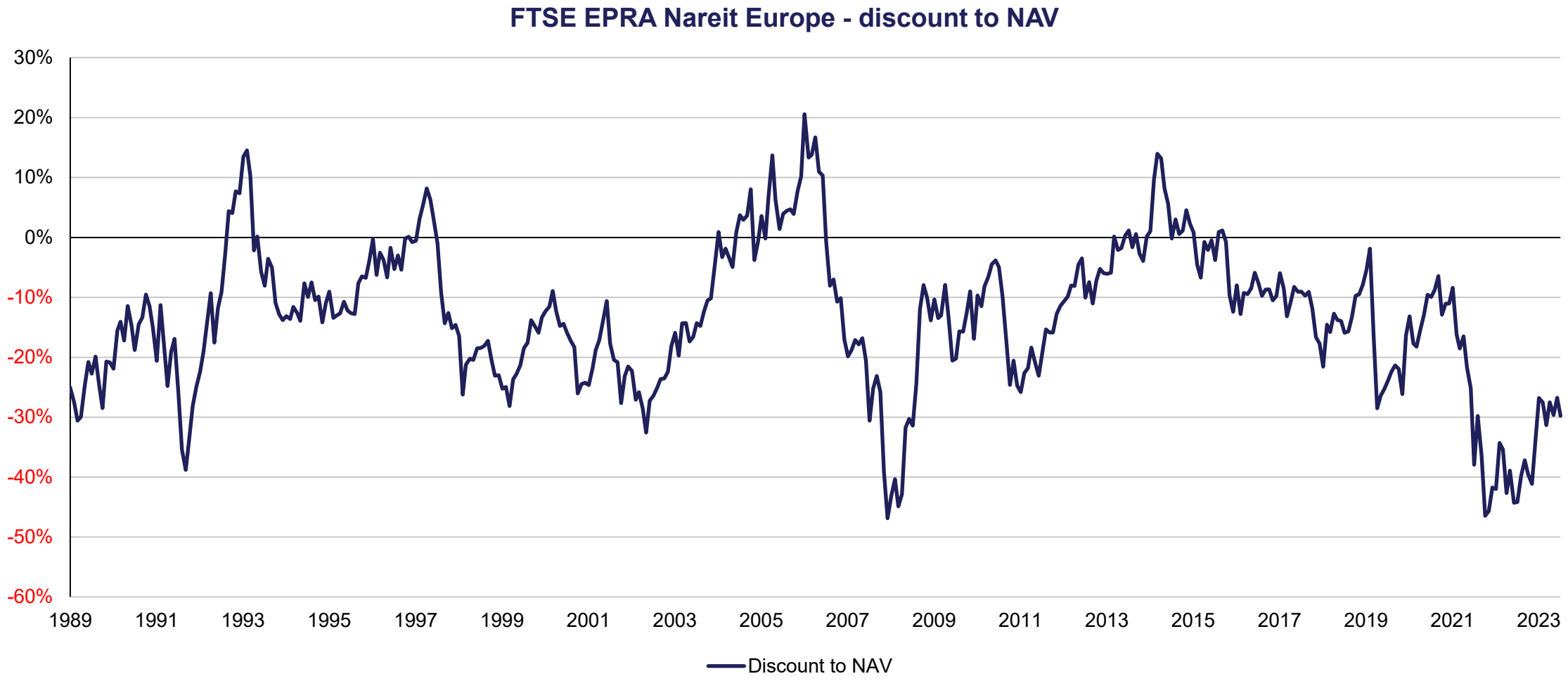
Wandsworth

"Wandsworth Foodbank are extremely grateful to TR Property Investment Trust for enabling our move to Ferrier St. The warehouse provides us with a space to receive, sort and store large amounts of donated food, and dispatch it to our seven Welcome Centres and directly to people's homes. We are really grateful for this partnership as we support local households through the cost-of-living crisis."

Dan Frith, Wandsworth Foodbank Manager

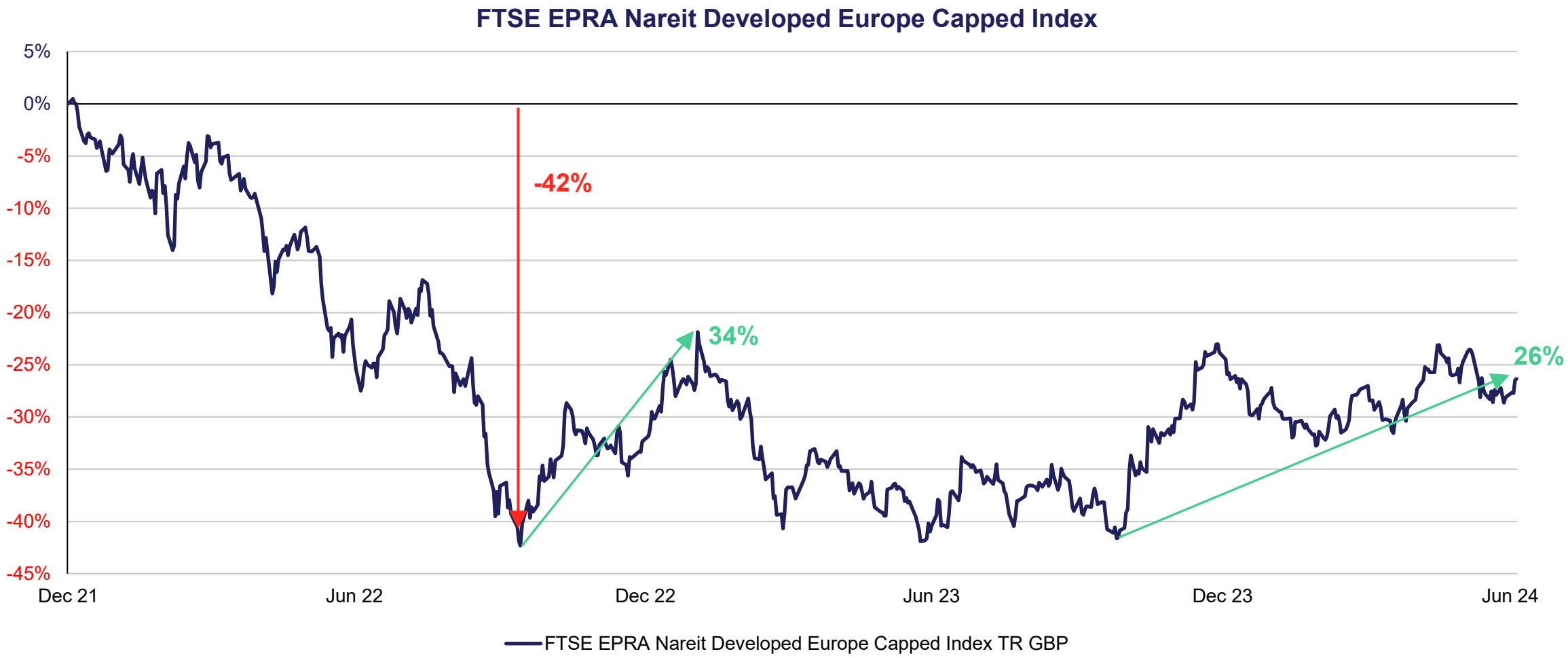
The consideration of ESG credentials are not part of the current investment objective for the Trust. Please refer to the Trust's objectives for further details on the sustainability indicators for the Trust.
New extended Responsible Investment update available in 2024 Annual Report (pages 16-22). All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Pan-European real estate equities - valuation



Source : Columbia Threadneedle Investments. European Public Real Estate Association (EPRA). Data as at 28.06.2024

Pan-European real estate equities – performance 2022-2024



Source : Columbia Threadneedle Investments. Data as at 04.07.2024

Mergers & Acquisitions (2021 onwards)

CONSOLIDATION

- Workspace buys **McKay Securities**
- LXi merges with **Secure Income REIT**
- CapCo acquires/merges with Shaftesbury
- DIC acquires **VIB Vermögen**
- SBB acquires **Amasten**
- **LondonMetric** acquires **CT Property Trust**

2023/4

- **Ediston** acquired by Realty Income
- **LondonMetric** acquires **LXi**
- **Shurgard** acquires Lok'nStore
- **Tritax Big Box REIT** acquires **UK Commercial Property REIT**

PUBLIC TO PRIVATE

- St Modwen (Blackstone)
- GCP Student Living (Blackstone/APG)
- **Alstria** (Brookfield)
- **Befimmo** (Brookfield)
- **Hibernia** (Brookfield)
- CA Immo (Starwood)
- **Deutsche Euroshop** (Oaktree, Otto)

2023/4

- **Industrials REIT** (Blackstone)
- Civitas (CK Asset Holdings)

Companies in bold were held by the fund at the time of transaction
Source : Columbia Threadneedle Investments. Data as at 12.06.2024

Last year I said……

More activity likely……

- Listed companies need to be bigger for relevance, efficiency and liquidity
- We have engaged with many Boards over several years
- Recent highlights: ediston PHOENIX SPREE
- More to come……

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……more evolution

- Aberdeen European Logistics – managed wind-down
- Aberdeen Property Income – managed wind-down
- Tritax Eurobox – strategic review / Brookfield approach
- Balanced Commercial Property Trust – strategic review
- Capital & Regional – approach from NewRiver Retail

Shrink or merge - standing still no longer an option

Source : Columbia Threadneedle Investments as at 11.07.2024. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Outlook

Source : Columbia Threadneedle Investments
Image source: Adobe stock

- Interest rate cycle peaked (at least in Europe)
- Under-supply of prime space in many of our markets = rental growth
- Independent valuers still behind live market pricing…….
- …….but valuation declines slowing
- All this is discounted in share prices
- Opportunistic capital raises on the increase
- More M&A activity likely

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