

TR Property Investment Trust AGM Presentation

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Fund Manager

Contents

- Results review – what drove performance in the year to March 2018
- 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.

TR Property Investment Trust

- Largest Pan-European property equity closed-ended fund
- Market cap: £1.21bn (£988m – March '17)
- Net assets: £1.25bn (£1.12bn – March '17)
- Equities 93% of assets (92% - March '17)
- Physical property 7% of assets (8% - March '17)
- Gearing: 14.6% (13.3% - March '17)

Source: BMO Global Asset Management as at 30.03.2018

Highlights for the year to March 2018

- Total shareholder return of 25.5%
- Share price close to asset value
- Relative outperformance of the benchmark (after fees) 530bps
- Dividend growth (year on year) of 16.2%
- Pan European exposure proved resilient
- Retail remains our greatest concern

Standardised performance

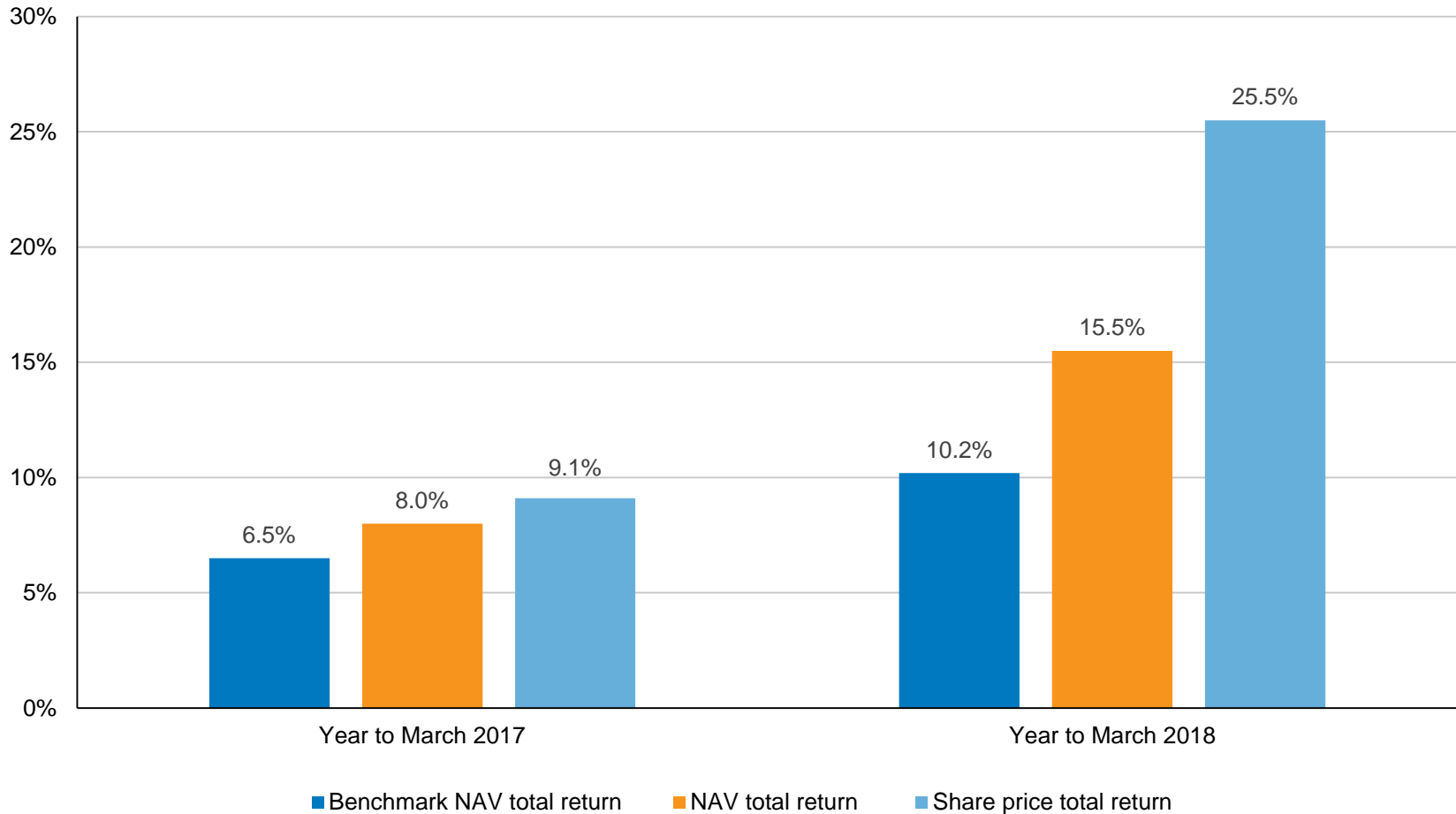
	Percentage Growth (%)				
	Mar 13 - Mar 14	Mar 14 - Mar 15	Mar 15 - Mar 16	Mar 16 - Mar 17	Mar 17 - Mar 18
TR Property Investment Trust (Capital Only NAV)	18.2%	24.8%	5.9%	4.5%	12.1%
FTSE EPRA/NAREIT Developed Europe Capped Index (Net, GBP, Capital Only)	11.2%	19.7%	2.9%	3.6%	7.2%
TR Property Investment Trust (NAV with Income)	22.4%	28.3%	8.2%	8.0%	15.5%
FTSE EPRA/NAREIT Developed Europe Capped Index (Net, GBP, Total Return)	14.9%	23.3%	5.4%	6.5%	10.2%
Share Price	37.7%	29.5%	-1.6%	9.1%	25.5%

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 30.03.2018

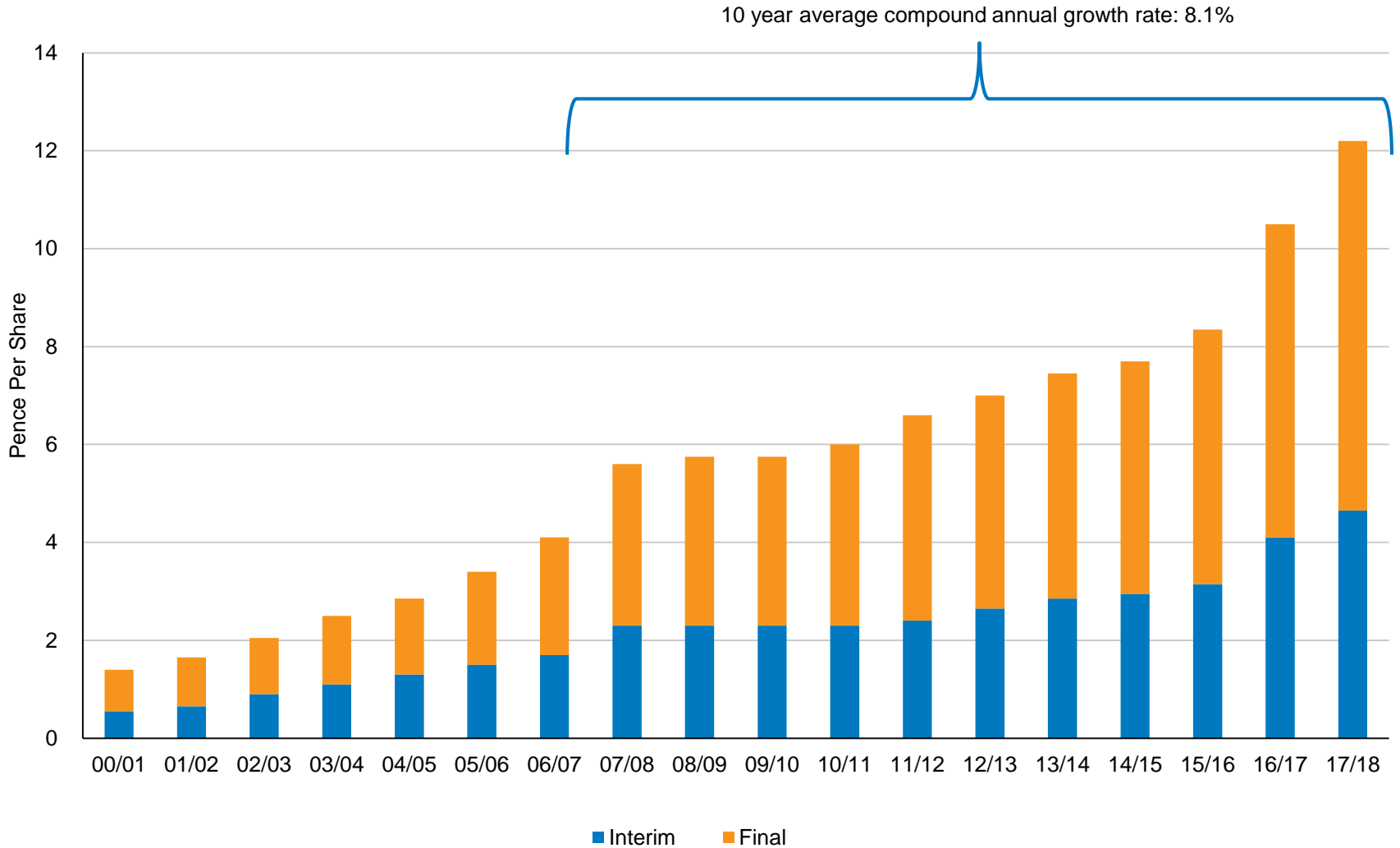
Last 2 years performance



Past performance is not a guarantee to future performance

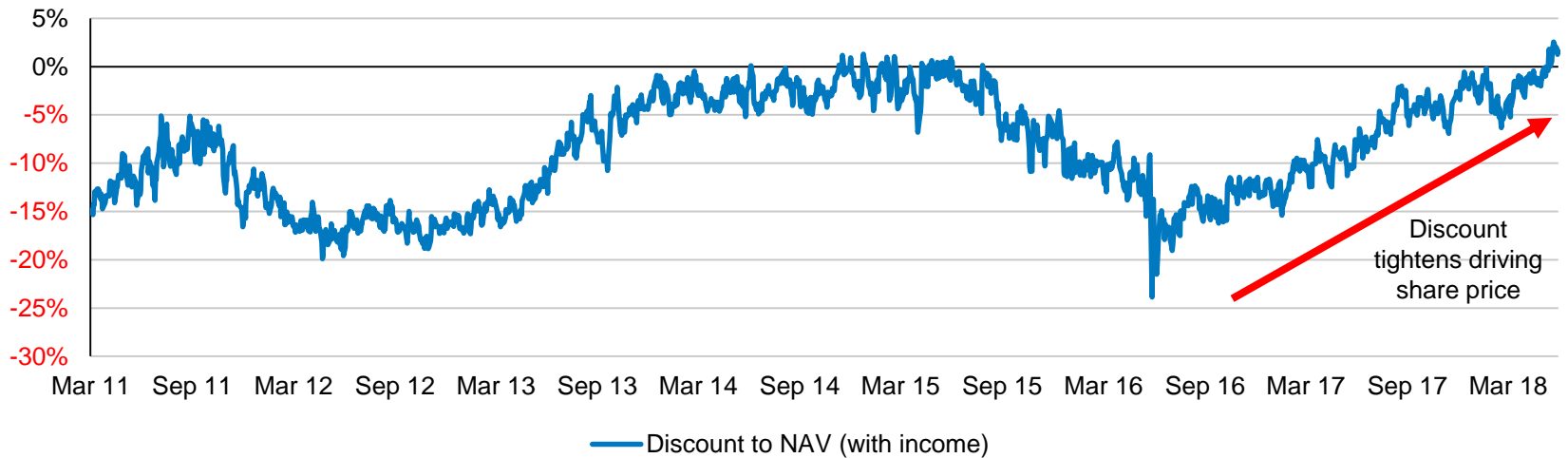
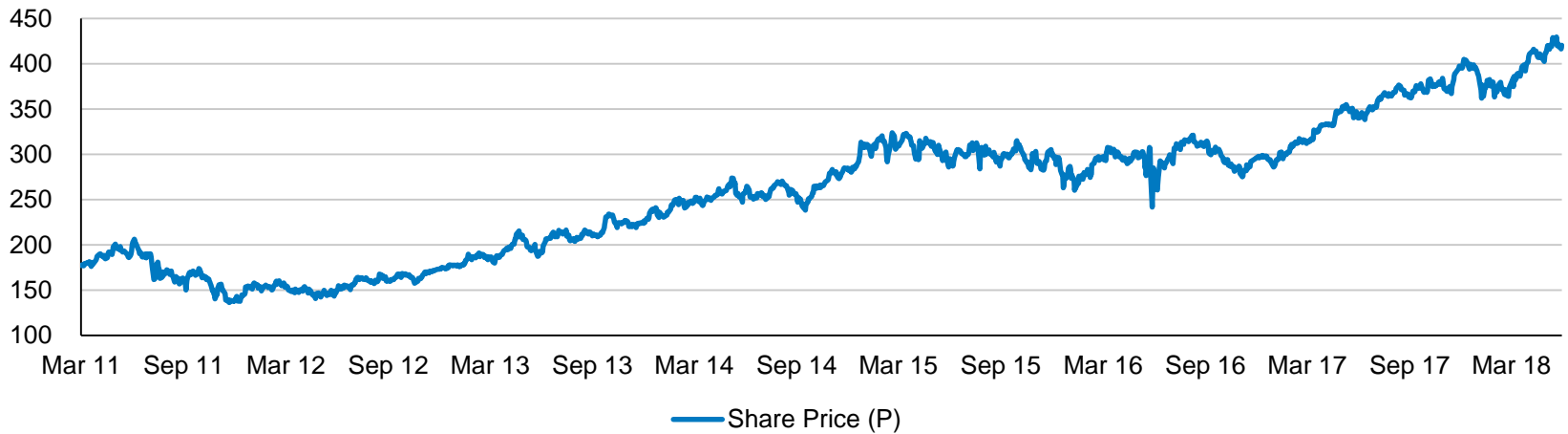
Source: BNP Paribas, Bloomberg as at 31.03.2017 and 30.03.2018. NAV - Net Asset Value.
Benchmark: FTSE EPRA/NAREIT Developed Europe Capped TR Net GBP

Dividend history



Source : BMO Global Asset Management. Data as at 04.07.2018

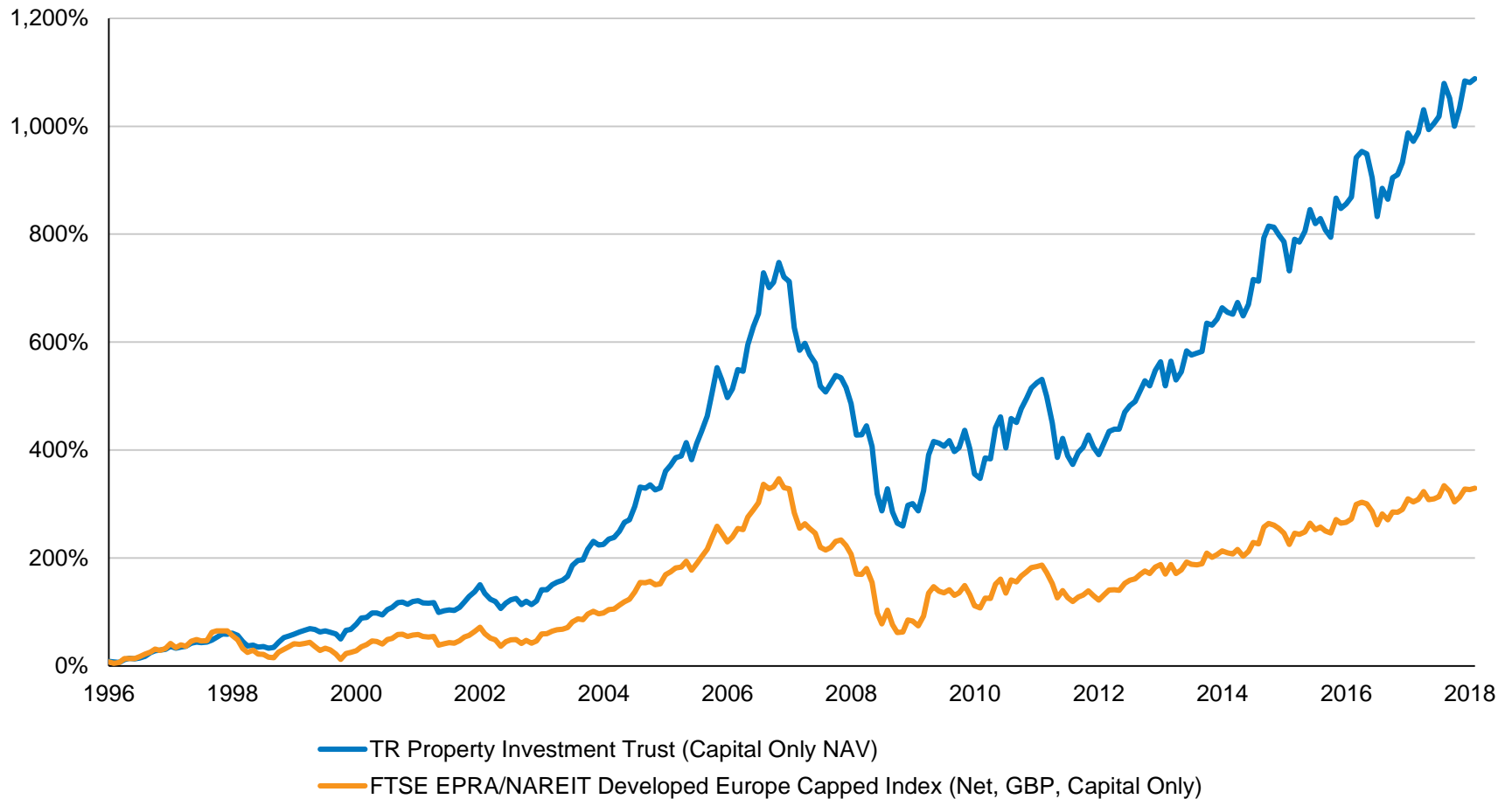
Share price and discount



Past performance is not a guarantee to future performance.

Source: BNP Paribas, Bloomberg as at 29.06.2018

Track record

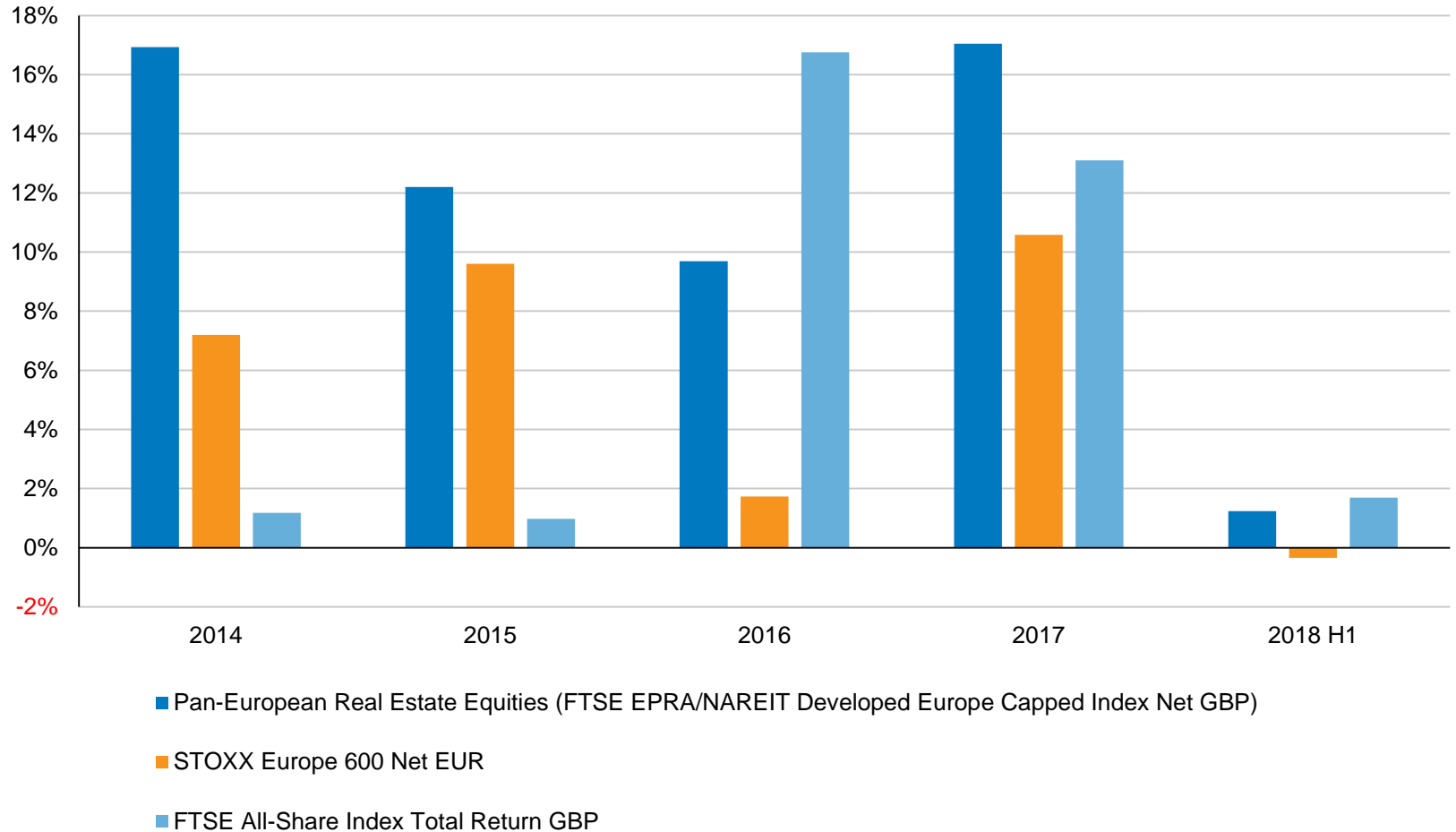


Past performance is not a guarantee to future performance.

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 29.06.2018

Pan-European real estate equities have outperformed broader European equities

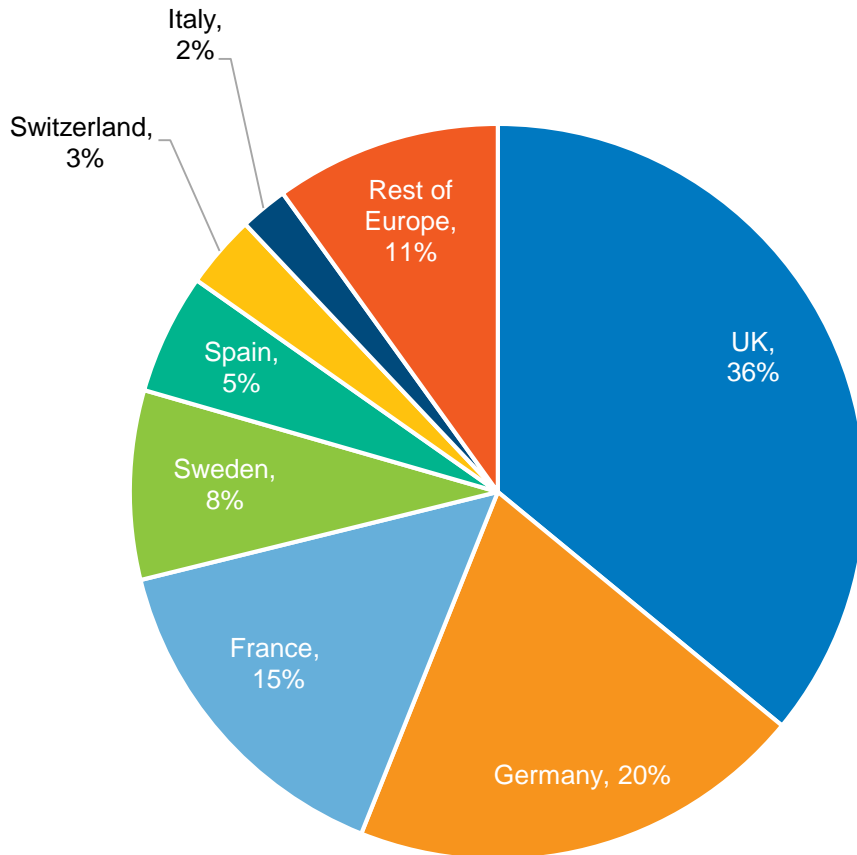


Past performance is not a guarantee to future performance.

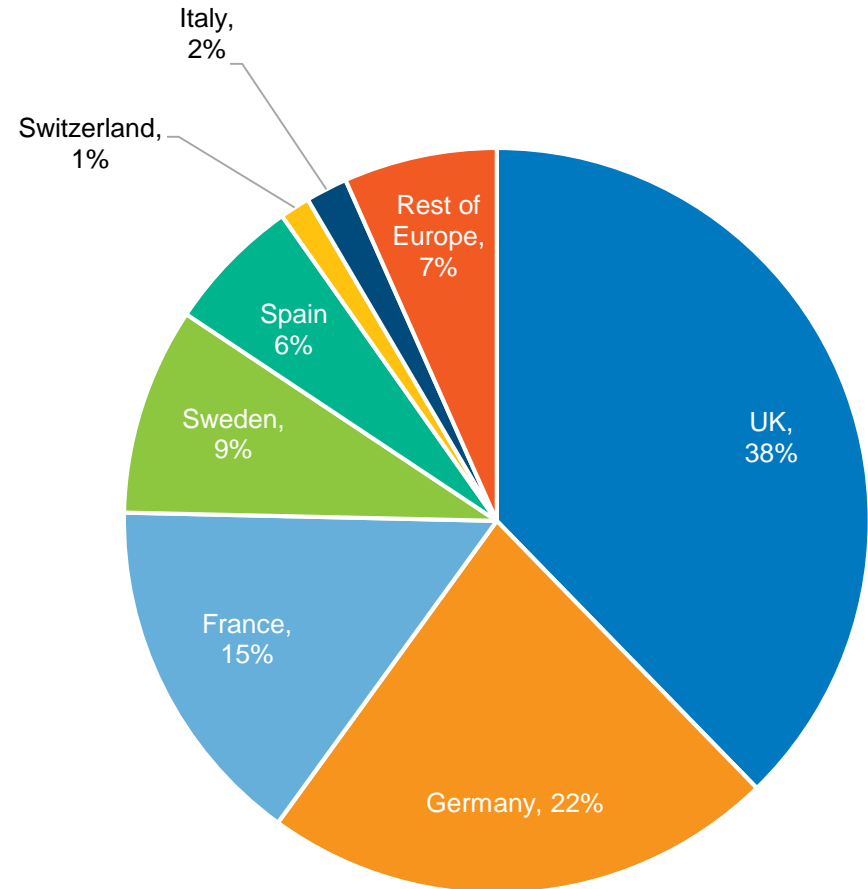
Source: Bloomberg as at 29.06.2018

See-through geographic exposure – didn't change much

March 2017

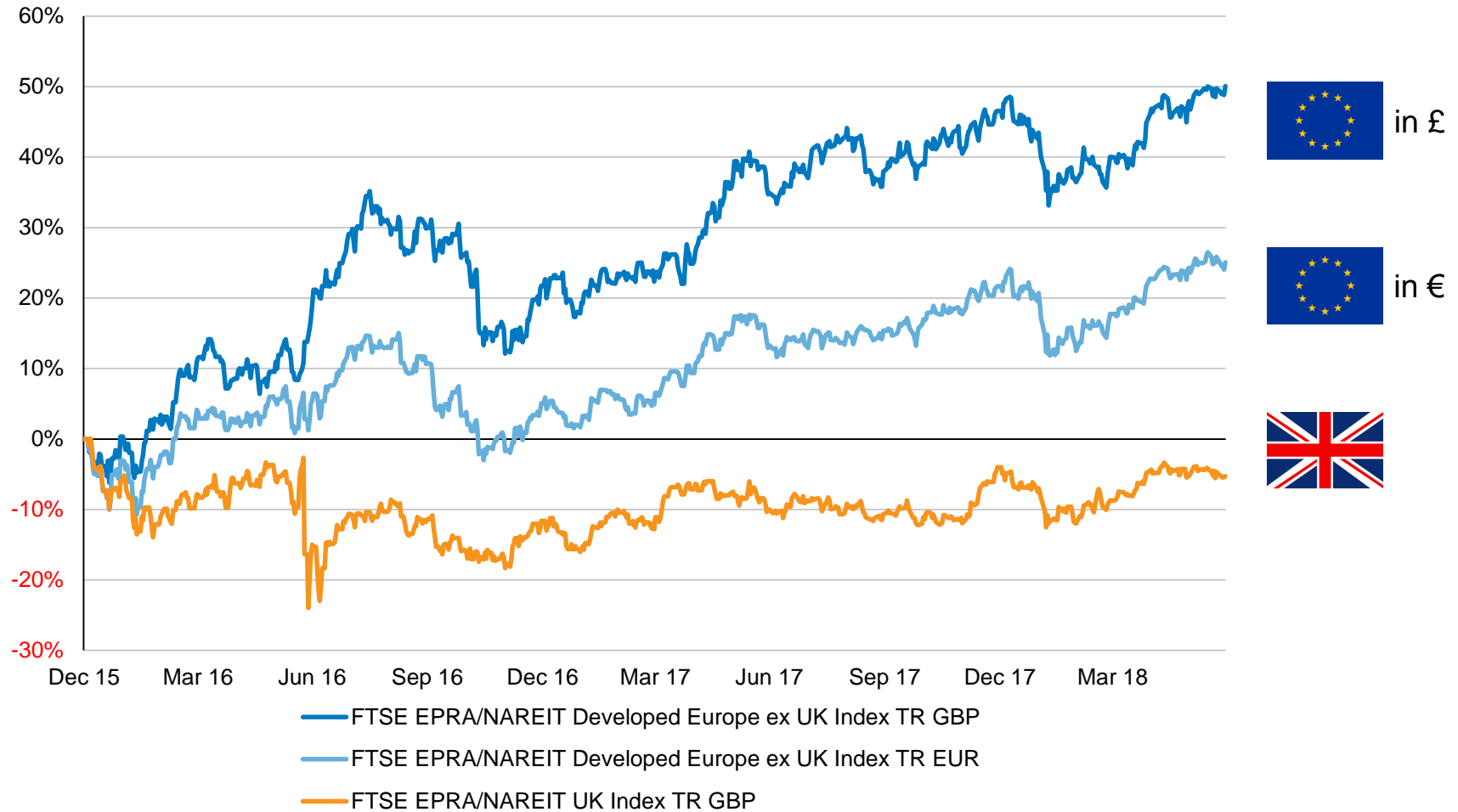


March 2018



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

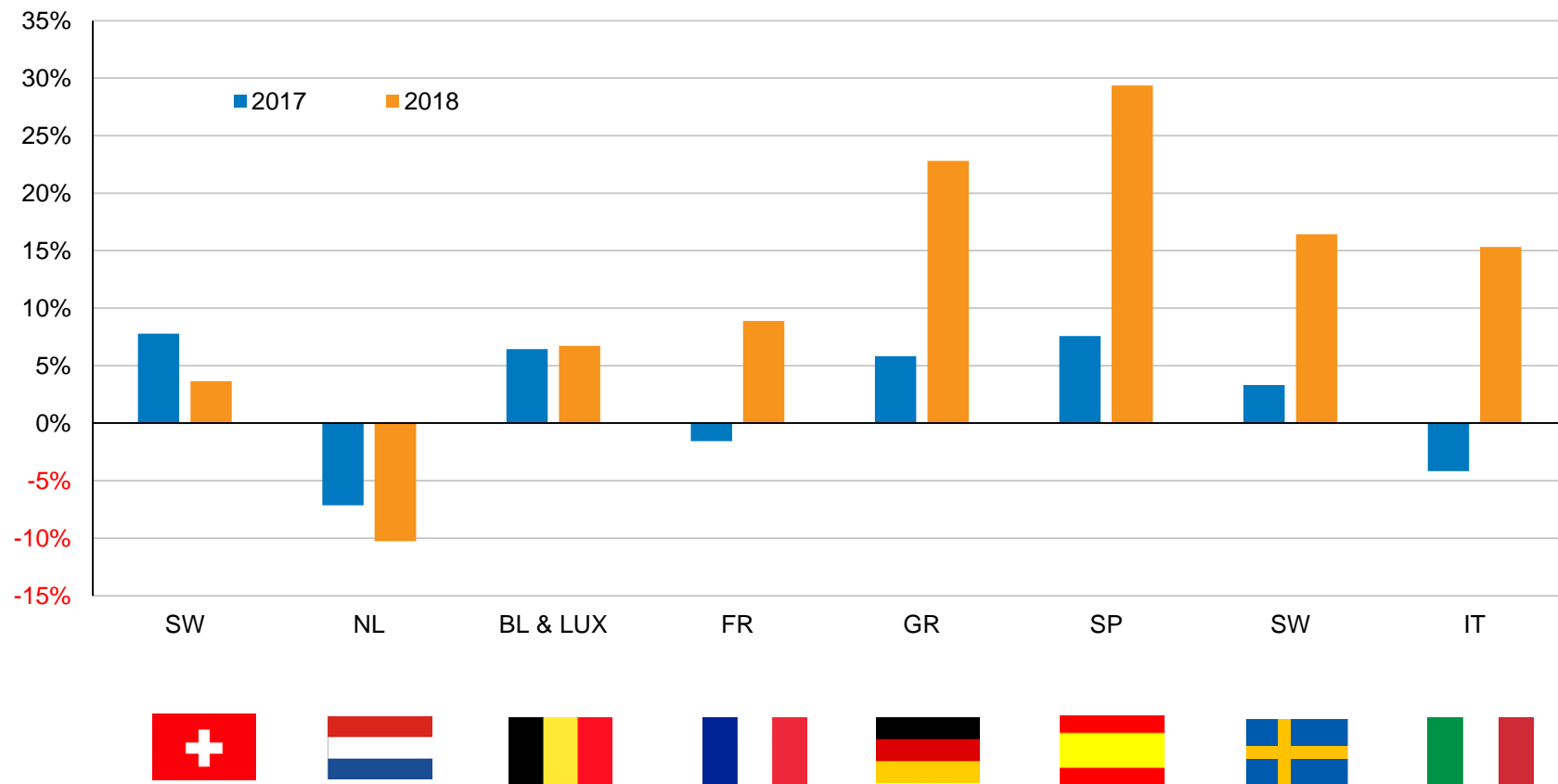
UK vs. Continental Europe – Brexit still weighs heavily



Past performance is not a guarantee to future performance.

Source: BMO Global Asset Management as at 29.06.2018

Intra European total return performance (in local currency) - FY 2017 & 2018



Past performance is not a guarantee to future performance.

Source: BMO Global Asset Management as at 31.03.2017 and 30.03.2018

Key positioning and where it worked (or not)



Overweight UK

London reduced, industrial / logistics increased, 'alternatives' increased

But...overweight Landsec not British Land (BL outperformed LAND strongly)

Overweight Stockholm

Faberge (a large overweight) returned 26.8%

But...overall neutral Scandinavia

Region was a stronger performer, we should have been longer

Overweight Spain – particularly hotels

Hispania (our largest overweight) returned 28.3%

But...underweight Southern Europe overall

Lack of Italian exposure

Underweight Switzerland

Underperformed

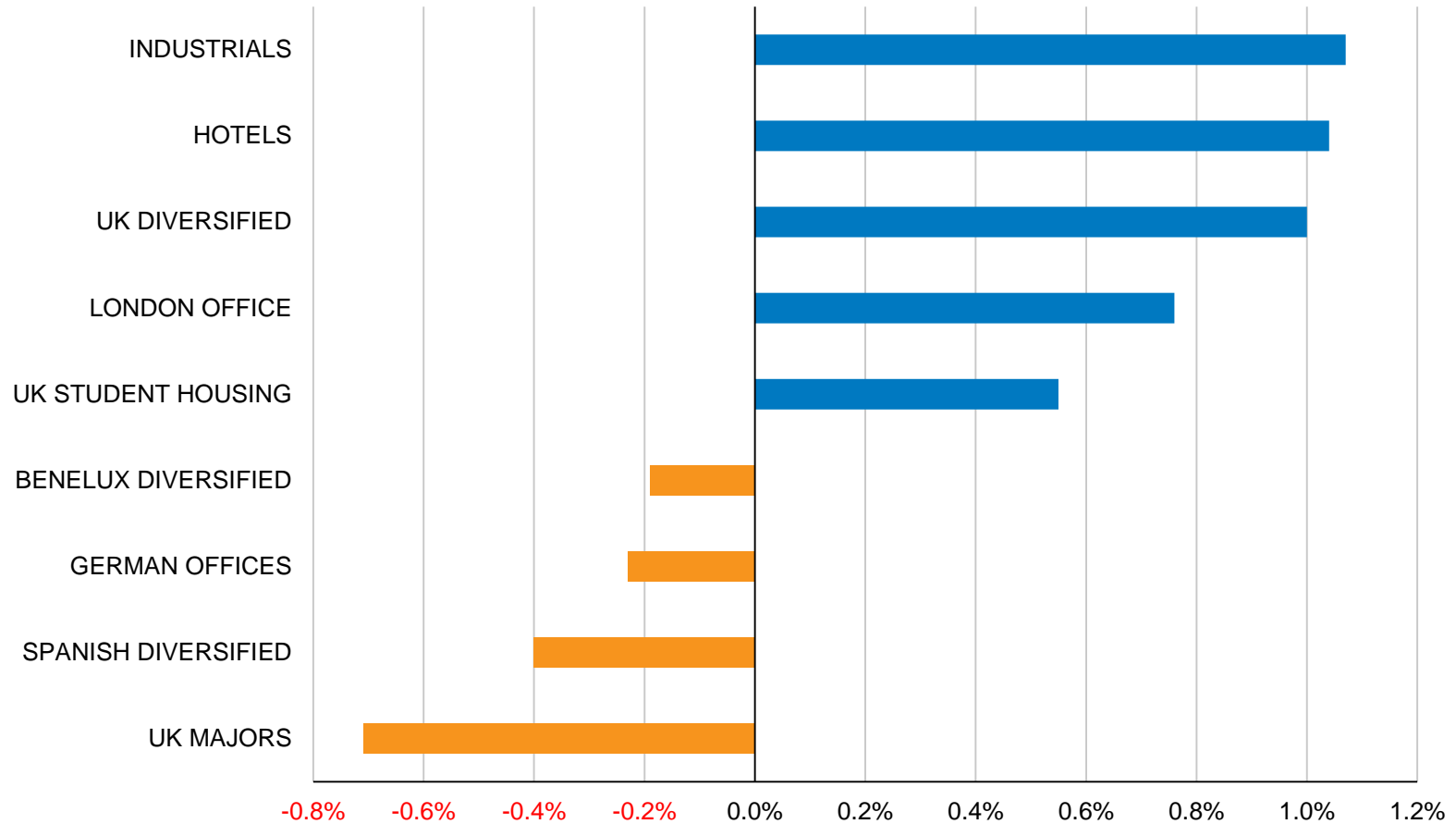
Underweight Belgium

Underperformed

UK physical portfolio (7% of assets)

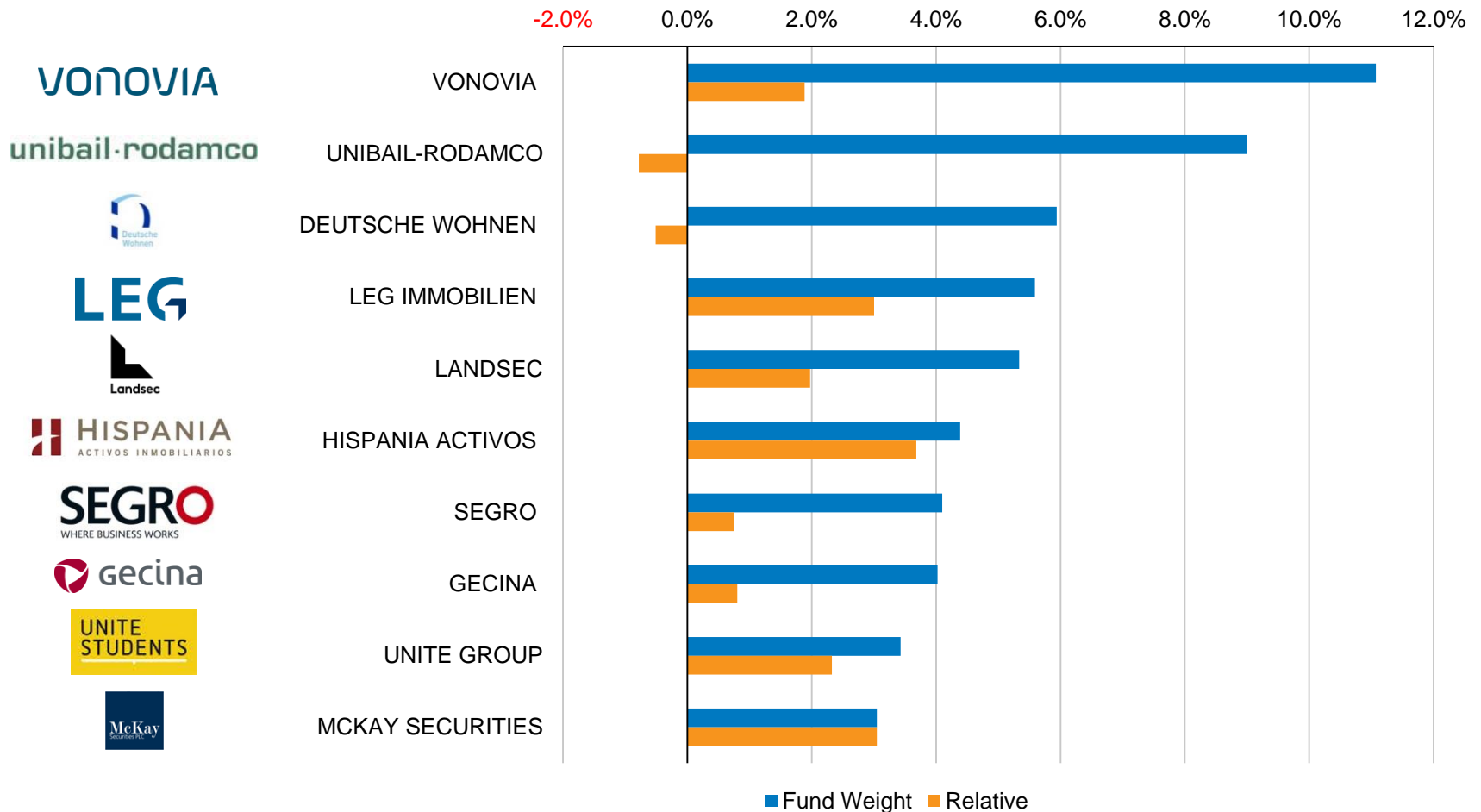
Returned 14.6% broadly in line with the equity portfolio

Top contributors to relative performance FY 17/18



Source: Bloomberg as at 30.03.2018

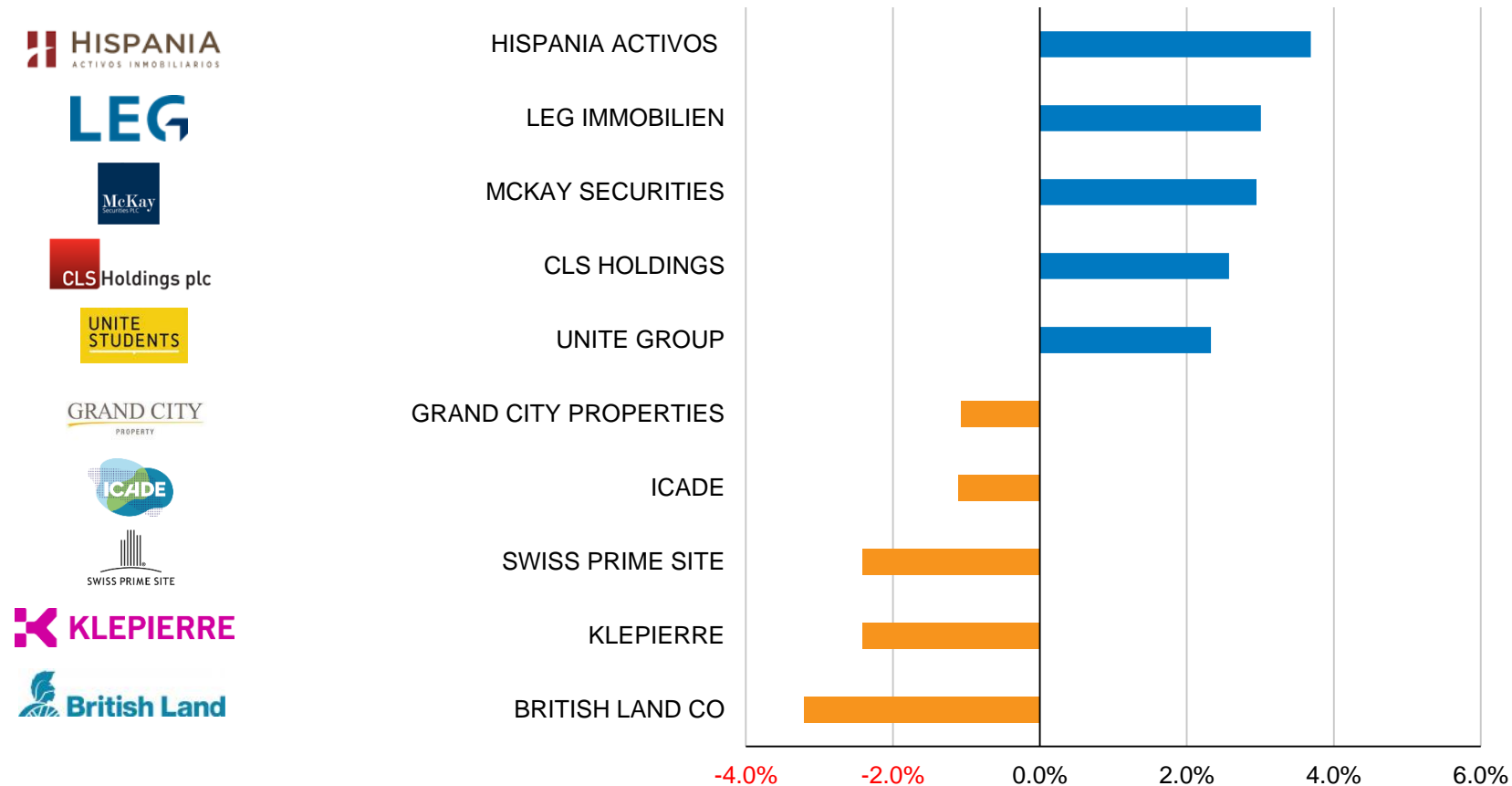
Portfolio profile – largest 10 holdings



- Top 10 is c.56% of portfolio

Source: BMO Global Asset Management as at 04.07.2018

Portfolio profile – largest active positions vs. benchmark



- Active positioning of equity portfolio (all overweights and underweights / 2): c.42%

Source: BMO Global Asset Management as at 04.07.2018. FTSE EPRA/NAREIT Developed Europe Capped Net Total Return Index (GBP).

Physical property portfolio

1. Bayswater



2. Wandsworth



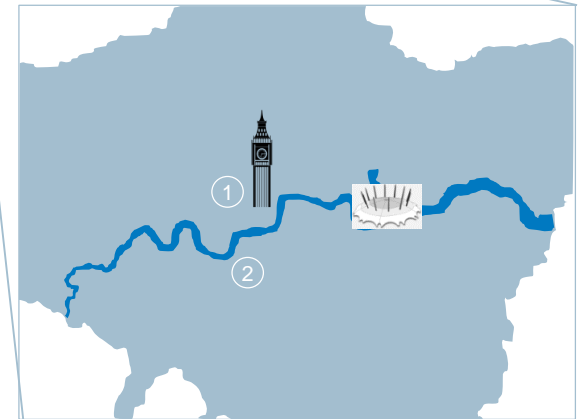
3. Harlow



4. Bristol



5. Gloucester



Asset management

Unit H1 Parkway Industrial Estate Plymouth



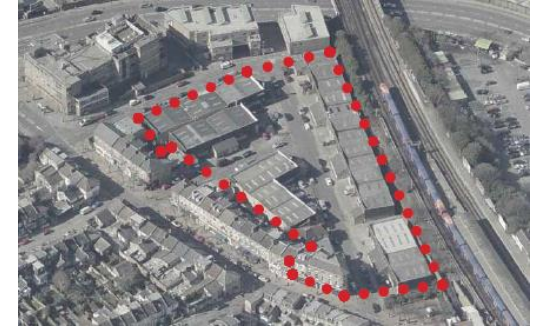
- 2016 Rent Review - rent increased by 14.4%
- 6.3% ahead of valuers ERV*
- Sold for £4.3m in December 2017
- 11% premium to the March 2017 valuation

Beacon House Worple Road Wimbledon SW19



- 12,000 sq ft office
- Permitted development achieved for 17 flats
- Sold for £5.8m in November 2017
- 35% premium to March 2017 valuation

Ferrier Street Industrial Estate Wandsworth SW18

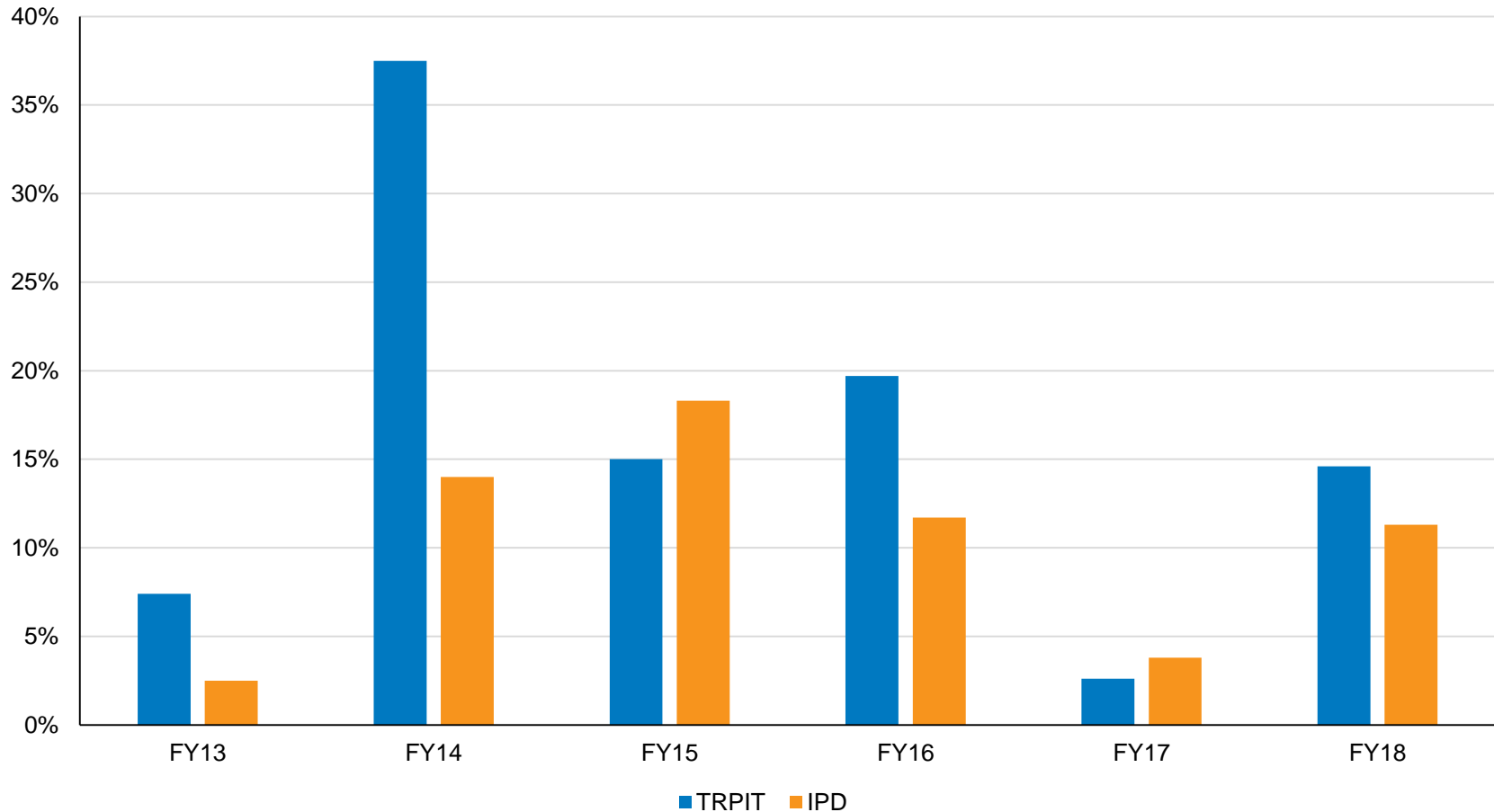


- 16 units fully let with leases extended to September 2019
- Planning policy designation changed from 'employment' to 'mixed use'
- Progressing planning application for submission in Q4 2018

Source: BMO Global Asset Management. *March 2018

Property portfolio performance – kept up with the equity portfolio and outperformed IPD

Total Return



Past performance is not a guarantee to future performance.

TRPIT - TR Property Investment Trust. IPD - Investment Property Databank.

Source: BMO Global Asset Management. Investment Property Databank (MSCI, IPD) as at 30.03.2018.

Outlook

- **Don't fight the Central Banks** – rates staying low across Europe (but rising in the US)
- **Pockets of strong rental growth** –  industrial / logistics,  German residential,  Paris CBD offices,  Stockholm offices,  Madrid offices
- **Capital markets** – doing brisk business. Record low funding cost for property companies
- **UK** – surprisingly strong Central London investment markets. Global capital looks beyond Brexit

BUT...macro risks remain **elevated**



Discord over migrant issues, Macron failing to win support for greater EU financial integration, Italian banking sector concerns



Brexit negotiations overshadowing investment and creating instability. Ongoing GBP weakness



FED interest tightening cycle continues, USD continues to strengthen



\$80 per barrel...inflationary pressures building

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