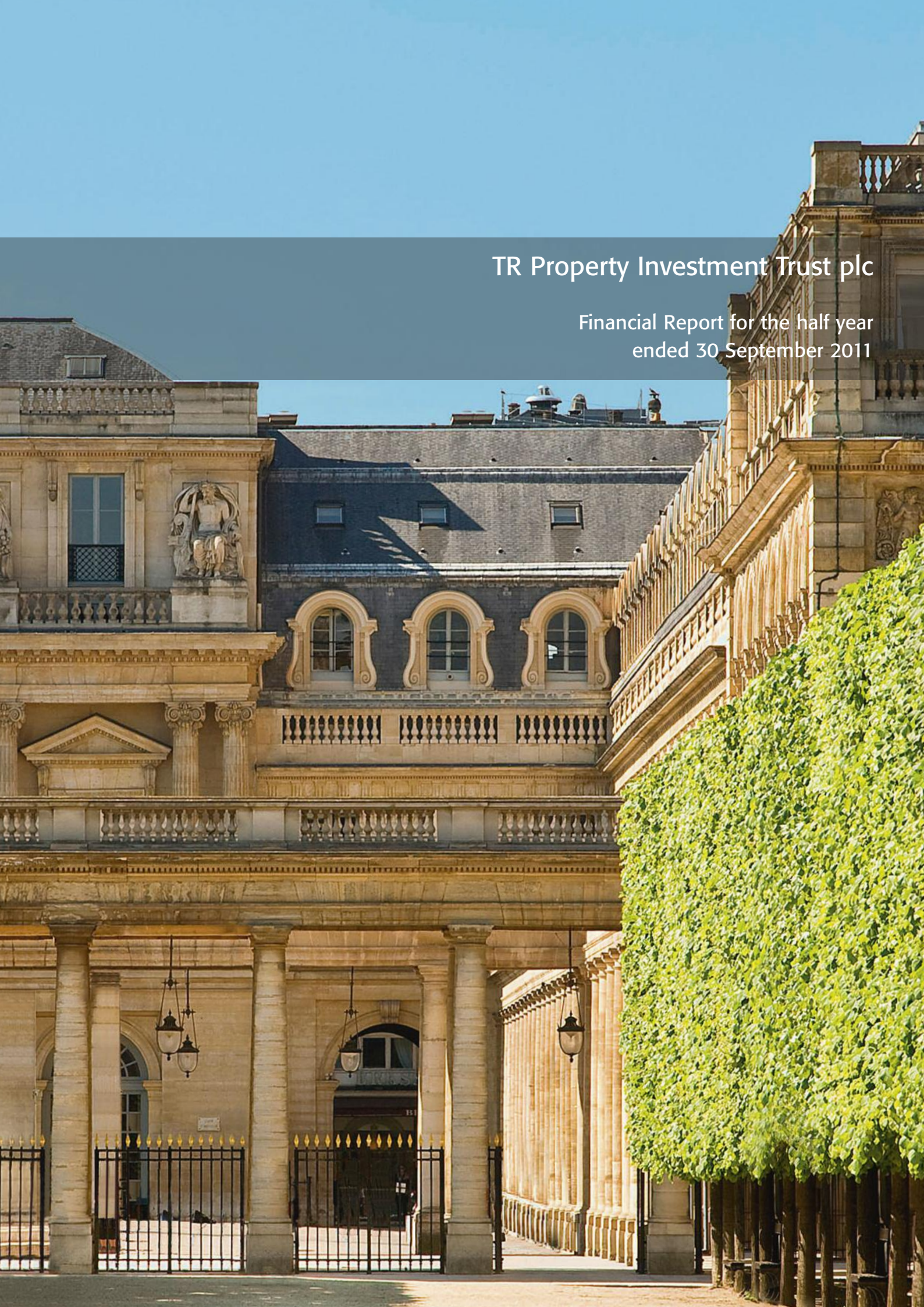


TR Property Investment Trust plc

Financial Report for the half year ended 30 September 2011

Overview

The objective of TR Property Investment Trust plc ("the Trust" or "the Group") is to maximise shareholders' total returns via investment in the property sector.

The Trust offers investors two share classes:

Ordinary shares – a portfolio invested in the shares of property companies of all sizes on an international basis and also in investment property located in the UK.

Sigma shares – a portfolio invested in the shares of smaller property companies on an international basis. The Sigma share class does not hold property directly.

Introduction

The Trust was formed in 1905 and has been a dedicated property investor through the Ordinary share class since 1982.

In July 2007 a second share class, the Sigma share class, was introduced. This was created mainly through the conversion of some of the existing Ordinary shares into Sigma shares. Each share class has a dedicated portfolio and is able to pursue independent investment and gearing strategies. However, they are share classes of one corporate entity, the Trust, with a single independent Board of Directors.

The Financial Report contains the group financial statements and as supplementary information separate statements of comprehensive income and balance sheets for each share class. There is a Manager's Report for each share class. The pages in the accounts have been marked in the top corner to highlight whether they refer specifically to one or other of the share classes or to the group as a whole.

The following three pages set out the objective and investment policies for each share class and key financial and performance data. The Manager's Report for each share class comments on how the actual investment activity through the period has followed the proposed policies and the resulting performance.

Independent Board

The directors are all independent of the management company and meet regularly to consider investment strategy, to monitor adherence to the stated objective and investment policies (set out on the following pages) and to review performance.

Further Information

General shareholder information and details of how to invest in TR Property Investment Trust plc, including investment through an ISA or share plan, can be found on pages 35 and 36. This information can also be found on the Trust's website www.trproperty.co.uk.

Statement of Investment Objective and Policy

Ordinary Shares

Objective

The objective of the Ordinary share class is to maximise shareholders' total returns by investing in property shares and property on an international basis.

Benchmark

The Benchmark is the FTSE EPRA/NAREIT Developed Europe Total Return Index in Sterling. This index, calculated by FTSE, is free-float based and currently has 83 constituent companies. The Benchmark website www.epra.com contains further details about the index and performance.

Investment Policies

Although the investment objective allows for investment on an international basis, the benchmark is a Pan-European Index and the majority of the investments will be located in that geographical area. Direct property investments are located in the UK only.

The investment selection process seeks to identify well managed companies of all sizes, especially those with a focus on a particular type of real estate business. Thames River Capital LLP ("the Manager") generally regards future growth and capital appreciation potential more highly than immediate initial yield or discount to asset value.

As a dedicated investor in the property sector the fund cannot offer diversification outside that sector, however within the portfolio there are limitations, as set out below, on the size of individual investments held to ensure diversification.

Asset Allocation Guidelines

To deliver a spread of investment risk, the maximum holding in the stock of any one issuer or of a single asset is limited to 20% of the portfolio. In addition, any holdings in excess of 5% of the portfolio must not in aggregate exceed 50% of the portfolio. These limits are set at the point of acquisition, however if they were materially exceeded for a significant length of time through market movements, the Manager would seek to remedy the position.

The Manager currently applies the following guidelines for asset allocation:

UK listed equities	25 – 50%	Other listed equities	0 – 5%
European listed equities	45 – 75%	Listed bonds	0 – 5%
		Direct property – UK	5 – 20%

Gearing

The fund may utilise gearing with the purpose of enhancing shareholder returns. The maximum gearing level permitted is 40%, however, the current guideline is 10% net cash to 25% gearing.

The Trust invests in the shares of property companies which themselves employ leverage. The total level of gearing the Trust is exposed to through the balance sheets of investee companies together with the borrowings of the Trust itself is referred to as the "see-through" gearing. The Manager comments on the level of see-through gearing in the Manager's Report.

Capital

Over ten years up to the end of September 2011, the share price has risen by 200% from 53.75p to 161.00p and the net asset value per share has risen by 118% from 78.10p to 170.59p. Over the same period the benchmark price only index has risen by 63%.

Dividend

An interim dividend of 2.40p (2010: 2.30p) per Ordinary share has been declared payable on 10 January 2012 to shareholders on the register on 9 December 2011. The shares will be quoted ex-dividend on 7 December 2011.

Sigma Shares

Objective

The objective of the Sigma share class is to maximise shareholders' total returns by investing predominantly in the shares of property companies with a market capitalisation of less than £1.1 billion on an international basis.

Benchmark

The benchmark is the FTSE EPRA/NAREIT Small Cap Europe Total Return Index in Sterling. This benchmark, calculated by FTSE, is the FTSE EPRA/NAREIT Developed Europe Total Return Index in Sterling, adjusted to exclude "large cap" stocks. The "large cap" threshold and constituents are adjusted annually. For the year to 31 March 2012 the threshold is £1.1bn.

Investment Policies

Although the investment objective allows for investment on an international basis, the benchmark is a Pan-European Index and the majority of the investments will be located in that geographical area.

The investment selection process seeks to identify well managed smaller property companies, especially those with a focus on a particular type of real estate business. The Manager generally regards future growth and capital appreciation potential more highly than immediate initial yield or discount to asset value.

As a dedicated investor in the property sector the fund cannot offer diversification outside that sector, however within the portfolio there are limitations on the size of individual investments held to ensure diversification.

Asset Allocation Guidelines

To deliver a spread of investment risk, the maximum holding in the stock of any one issuer or of a single asset is limited to 15% of the portfolio. In addition, any holdings in excess of 5% of the portfolio must not in aggregate exceed 40% of the portfolio. These limits are set at the point of acquisition, however if they were materially exceeded for a significant length of time through market movements, the Manager would seek to remedy the position.

The Manager currently applies the following guidelines for asset allocation:

UK listed equities	25 – 50%	Other listed equities	0 – 10%
European listed equities	45 – 75%	Listed bonds	0 – 5%
		Unquoted investments	0 – 5%

Gearing

The fund may utilise gearing with the purpose of enhancing shareholder returns. The maximum gearing level permitted is 40%, however, the current guideline is 10% net cash to 25% gearing.

The Trust invests in the shares of property companies which themselves are subject to gearing. The total level of gearing the Trust is exposed to through the balance sheets of investee companies together with the borrowings of the Trust itself is referred to as the "see-through" gearing. The Manager comments on the level of see-through gearing in the Manager's Report.

Capital

Since launch in July 2007, the share price has fallen by 29% from 106.25p to 75.50p and the net asset value per share has fallen by 27% from 122.85p to 90.22p. Over the same period the benchmark price only index has fallen by 35%.

Dividend

Due to its focus on smaller market capitalisation companies, some of which are development companies, the dividend yield of the Sigma shares is likely to be lower than that of the Ordinary shares. In addition, the dividend is also likely to be more volatile.

An interim dividend of 0.95p (2010: 0.90p) per Sigma share has been declared payable on 10 January 2012 to shareholders on the register on 9 December 2011. The shares will be quoted ex-dividend on 7 December 2011.

Financial Highlights and Performance

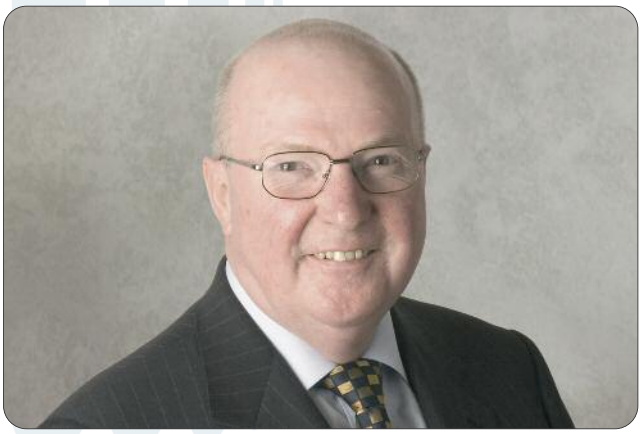
Ordinary Shares

	Half year ended 30 September 2011 (Unaudited)	Half year ended 30 September 2010 (Unaudited)	% Change
Revenue			
Revenue earnings per share	**5.63p**	5.52p	+2.0
Net interim dividend per share	**2.40p**	2.30p	+4.3
	As at 30 September 2011 (Unaudited)	As at 31 March 2011 (Audited)	% Change
Balance Sheet			
Net asset value per share	**170.59p**	207.08p	-17.6
Share price	**161.00p**	177.10p	-9.1
Net debt	**12%**	7%	
Shareholders' funds (£'000)	**437,092**	530,602	-17.6
Shares in issue at end of period (m)	**256.2**	256.2	–
	Half year ended 30 September 2011	Year ended 31 March 2011	
Performance			
Benchmark performance (total return)	**-15.0%**	+15.2%	
NAV total return	**-16.2%**	+15.4%	
Share price total return	**-7.3%**	+12.6%	

Sigma Shares

	Half year ended 30 September 2011 (Unaudited)	Half year ended 30 September 2010 (Unaudited)	% Change
Revenue			
Revenue earnings per share	**1.89p**	1.13p	+67.3
Net interim dividend per share	**0.95p**	0.90p	+5.6
	As at 30 September 2011 (Unaudited)	As at 31 March 2011 (Audited)	% Change
Balance Sheet			
Net asset value per share	**90.22p**	111.94p	-19.4
Share price	**75.50p**	83.45p	-9.5
Net debt	**7%**	8%	
Shareholders' funds (£'000)	**112,522**	139,841	-19.5
Shares in issue at end of period (m)	**124.7**	124.9	-0.2
	Half year ended 30 September 2011	Year ended 31 March 2011	
Performance			
Benchmark performance (total return)	**-16.2%**	+16.9%	
NAV total return	**-18.5%**	+16.5%	
Share price total return	**-8.3%**	+19.7%	

Chairman's Statement



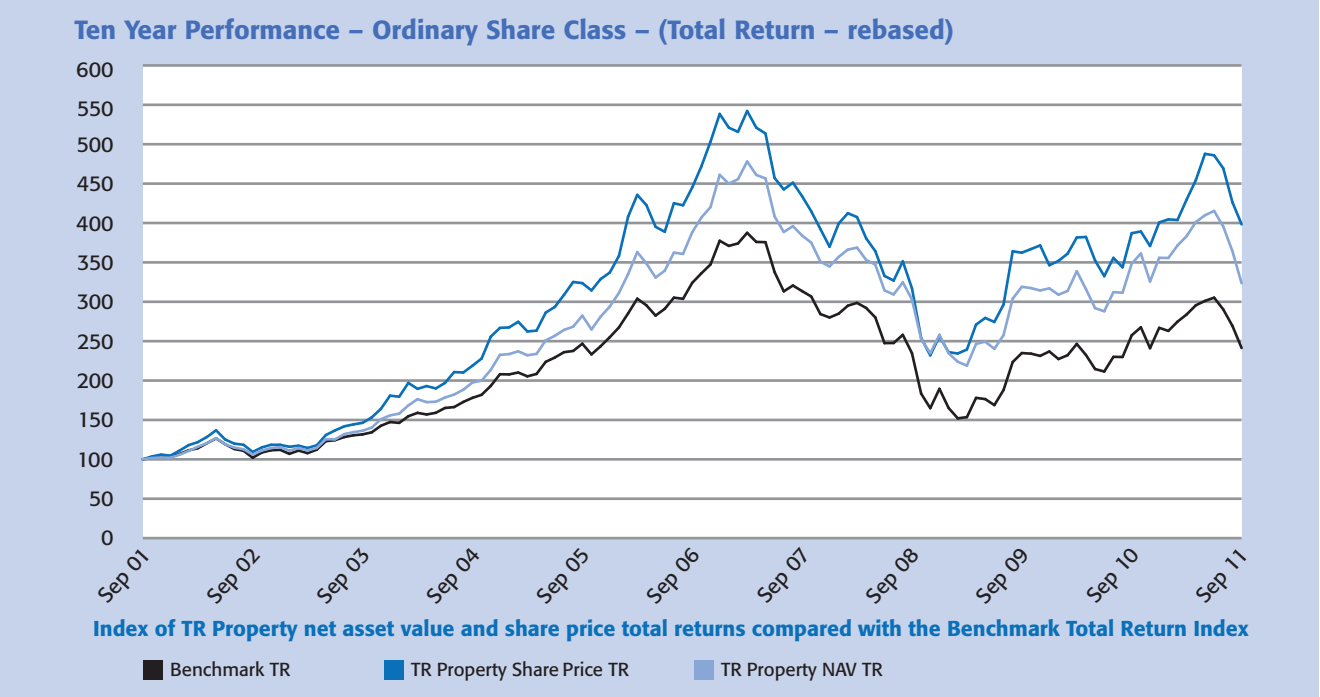
Peter Salsbury BSc **Chairman**
23 November 2011

Introduction

Global financial markets have once again been faced with multiple threats. US and Chinese slowdowns, the Japanese earthquake and a European debt crisis. Since mid summer, European markets in particular have been dominated by the escalating concerns surrounding the impact of the sovereign debt issues across the Eurozone. These issues are clearly a continuation of problems first encountered in 2010 and in my statement this time last year I commented on the likely impact on sentiment of a lack of political resolve. The disappointment has been the level of political ineptitude and how little resolution there has been in crafting a coordinated response between the European central bank and the member states. The complexities and range of options, coupled with the difficulties surrounding the numerous political agendas, have resulted in a lack of clarity. Politicians have been unable to get ahead of the wave of contagion that has swept through European markets.

Over the half year, pan-European property shares fell -15% in Sterling terms, which was a greater fall than general UK equities (the FTSE All-Share fell -13.5%) but less than the Euro Stoxx 600 (in Sterling), which fell -18.2%. Whilst the first quarter of the financial year actually saw property shares not only rise in value, but also outperform broader equity markets, the second quarter was the reverse. Our managers have not deviated from their stated long term fundamental approach to seeking out good quality property companies across Europe. The benefits of such a strategy are not apparent in such macro event driven times as these. However, we continue to believe that well run property companies with well

Chairman's Statement *continued*



located, good quality assets will give shareholders superior returns over a reasonable time period.

I am pleased to report that the revenue results are in line with expectations and the interim dividend in both share classes has been increased. More detail in the Revenue section.

NAV and Share Price Performance

The details of the absolute and relative returns are set out at the start of each share class report and commented on by the Fund Managers. In summary, the Ordinary share class showed a NAV total return of -16.2% against the benchmark total return of -15.0%. The share price total return was somewhat better, albeit still a negative -7.3%.

For the Sigma share class, the NAV total return was -18.5% and the benchmark total return was -16.2%. The share price total return was -8.3%.

In both share classes a major factor of underperformance was the underweight positions in Swiss stocks. This is explained fully in the Managers' Reports.

Revenue Results

The revenue results at the half year stage are broadly in line with expectations. For the Ordinary share class at 5.63p per share and for the Sigma share class at 1.89p per share.

Ordinary Shares Dividend

The Board has announced an interim dividend of 2.40p per share, an increase of 4.3% on last year's interim dividend of 2.30p.

Sigma Shares Dividend

The Board has announced an interim dividend of 0.95p per share, an increase of 5.6% over last year's interim dividend of 0.90p.

Revenue Outlook

In the Annual Report, I outlined our managers' revenue expectations for the full year of 6.40p per share for the Ordinary share class and 2.40p for the Sigma share class. Their expectations at this point in time remain unchanged. It should be noted that whilst over 80% of the Ordinary share class overseas investment income has been received for this financial year, for Sigma the figure is 75%. There remains some Euro/Sterling exchange rate risk on the overseas income still to be collected.

Net Debt and Currencies

The Ordinary share class increased its borrowings from £39.9m to £52.1m over the period; a large part of this increase was to finance the acquisition of a freehold office property in Vauxhall for £8.25m. In the Sigma share class, debt reduced from £11.9m to £8.7m over the period.

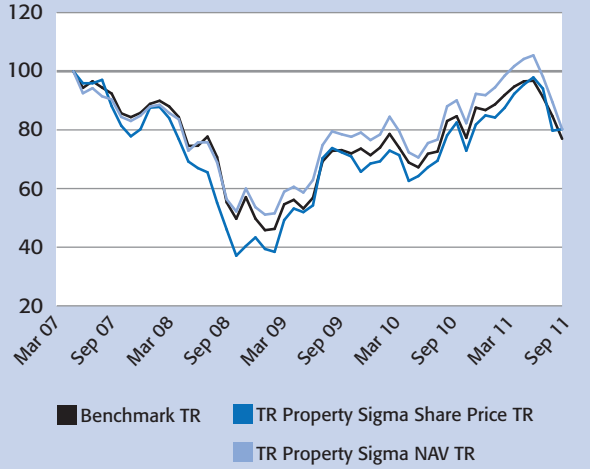
Chairman's Statement *continued*

Gearing in the Ordinary share class at 12% is higher than for the Sigma share class at 7%. However, as 10.9% of the Ordinary share class portfolio is held in direct property assets, which rose in value over the half year, the impact of gearing is not directly comparable with Sigma. This is explained in more detail in the Fund Manager's report.

Alongside the £50m one year variable rate multi-currency borrowing facility with The Royal Bank of Scotland ("RBS") and the two year £30m facility with ING, the Trust has modestly utilised Contracts for Difference ("CFDs") as a means of obtaining competitively priced gearing.

As in previous years, the portfolios' exposure to foreign currencies was not hedged at the income level. In the current financial year currency hedging has been applied at the asset level to ensure that the capital exposure to currencies has not been materially different to that of the benchmarks.

Performance since Inception – Sigma Share Class – (Total Return – rebased)



Discount and Share Repurchases

The Ordinary share price discount to net asset value was 5.6% at the half year, having been 14.5% at the start of the period. The average was 10.08%. The Sigma share price discount to net asset value was 16.3% at the half year, having been 25.5% at the end of March. The average over the period was 21.9%. A total of 200,000 Sigma shares were repurchased in May and June 2011 at an average price of 89p per share.

Outlook

At the time of writing, Eurozone political leaders have not produced a credible plan to deal with excessive sovereign debts, fiscal deficits and the lack of economic growth in several of its member states. Therefore, predicting anything but continued instability in financial markets would be foolhardy. Nonetheless, the Board and your managers believe that investment in property remains comparatively attractive. The sector has high, transparent and recurring earnings and most companies have sound balance sheets with conservative levels of debt. In addition, Continental European property companies' income is invariably index linked whilst in the UK historical rental data has shown long term outperformance of both RPI and CPI. Companies with high quality, well tenanted portfolios will continue to benefit from interest rates which remain low by historic standards.

Peter Salsbury
Chairman
23 November 2011

Directors' Responsibility Statement

The Directors acknowledge responsibility for the interim results and approve this Half-Yearly Financial Report.

The Directors of TR Property Investment Trust plc confirm that to the best of their knowledge:

(a) the Half-Yearly Financial Statements have been prepared in accordance with IAS 34 as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit for the period of the Group as required by the Disclosure and Transparency Rules ("DTR") 4.2.4R;

(b) the Chairman's Statement together with the following Managers' Reports includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the report includes a fair review of the information required by DTR 4.2.8R.

On behalf of the Board

Peter Salsbury
Chairman

23 November 2011

The Board members are listed on page 34.

Managers' Statement

Ordinary Share Class & Sigma Share Class

Market Background and Outlook

Marcus Phayre-Mudge MRICS
Fund Manager –
Ordinary share class
23 November 2011

James Wilkinson MRICS
Fund Manager –
Sigma share class

Introduction

The Eurozone debt crisis has clearly been the focus of investors' attention over the period. Whilst Europe's problems grew in intensity, investor sentiment was also rocked by poor economic data from the US and signs of slowing growth in Asia and, in particular, China contributed to the feeling that the only drivers of global growth, the developing world, was slowing. A torrid period for investors around the globe.

It is worthy of repetition to remind investors that the Eurozone sovereign debt concerns which are now dominating the investment foreground have been rumbling on since the Spring of 2010. European property equities fell -17.6% in the five weeks surrounding the first bailout package to Greece in May 2010. However, they then rose 40% between the last week of May 2010 and a year later. Whilst there was increased volatility over those 12 months, there was nevertheless considerable positive momentum in markets. In fact, reviewing the half year period, pan-European real estate equities rose in value in the first three months of this financial year by 7.5%. It seems hard to recall such statistics given the enormous change in sentiment and share prices over the quarter to September.

We continue to make decisions based on fundamentals, whilst accepting short term sentiment driven volatility. Property values, over the long term, are ultimately driven by occupational demand for the built environment. Investors' desire for the asset class is in response to anticipation of this underlying demand. GDP growth and hence employment growth is a pre-requisite in the longer run for rising rents. In periods of weak economic growth,

Market Background and Outlook *continued*

the rationale for property is a solid income return. Sustained, record low interest rates with the risk of higher inflation in the medium term provides a rationale for owning real assets. Massive, unconventional monetary stimuli (eg quantitative easing), particularly in the UK, carries the risk of increasing inflationary pressures in due course.

Property stocks have outperformed broad European equities over the period. Euro Stoxx 600 (in Sterling) fell -18.2% whilst the Ordinary share class benchmark, fell -15.0%. Property stocks were not hit as hard as the financials group, which fell -29.4% (BBG European Financials Index). Whilst bank funding and finance availability is the life blood of real estate, we consider that the listed sector is in better financial health than many private property companies. As a group the sector has much stronger balance sheets than in 2007 with an average current year end loan-to-value of 41%.

Property Investment Markets

The lack of tenant demand in many sub-markets coupled with the reduction in risk appetite has resulted in reinforcement of the polarisation between high quality assets in popular locations and, to put it bluntly, the rest. The yield gap between prime and secondary remains wide. The former can attract both equity and debt whilst the latter struggles.

Investor interest is focused at the market rather than at the country or sector level. Even within areas such as Greater London and the Ile de France, rental growth is localised. With property fundamentals to the fore, dominant retail property (both in and out of town) remains popular. Destinations with a lack of competition, high barriers to entry (restrictive planning policies) and densely populated catchment areas are in demand from investors.

Strong recurring and predictable earnings are a key attraction. Over the last six months the UK commercial property market had a total return of 4% but three quarters of that return was income. To illustrate the polarisation of returns, the average capital growth over the six months was 0.7% but that was flattered by Central London Offices which rose 3.9% whilst office markets outside of London fell in value. Such a period of risk aversion continues to drive equity to 'safe havens' and in real estate that means 'prime' assets in terms of location, building quality, tenant and lease length.

Rental Values

Offices

In the full year commentary we highlighted the positive prospects for rental growth in capital cities across Europe, not just London but increasingly Paris, Stockholm, Warsaw, Oslo and Geneva. However, we did not expect this to extend further afield into peripheral Europe nor even historically strong cities such as Madrid, Barcelona and Dublin. This has proved to be the case. Jones Lang LaSalle's European Office Index has Q2 2011 prime office rental growth in Stockholm (+2.4%), Hamburg (+2.2%) and Milan (+1.9%) but falls in Brussels (-3.2%), Dublin (-3.0%) and Madrid (-1.9%). Meanwhile, London (West End) was the top performing market, rising 2.7% in the quarter. Suburban markets remain weak almost without exception. The financial districts of London (City, Docklands) and Paris (La Défense) have seen a reduction in enquiries and slowing take up of vacant space. We anticipate little rental growth over the next 12 months in these sub-markets. There continues to be very little speculative development and sub-markets such as the West End of London, Stockholm, Oslo and the major German cities will continue to see growth.

Retail

The performance of retail property is very closely tied to disposable income. Due to job insecurity, high inflation, low wage growth and consumer indebtedness, overall retail spending is unlikely to grow. In the absence of generalised spending growth, rents can only rise where occupancy cost ratios are low or where turnover can be increased. In practice, this leads us to a preference for the lower cost markets of Continental Europe, the best shopping centres in the UK and markets with the strongest consumer finances such as Germany, Scandinavia and Greater London.

Distribution and Industrial

Key logisitics hubs such as Park Royal (West London) and the 'Golden Triangle' (Brussels, Antwerp and Ghent) have continued to show rental growth in prime distribution assets. However, the largest Continental European logistics owner, Prologis, had an average 6% decline in rents at lease renewals in the last quarter across their portfolio. They highlighted Central and Eastern Europe as particularly difficult occupational markets for logistics.

Traditional industrial space is bearing the brunt of the economic slowdown across Europe. However, recent anecdotal evidence from some German sub-markets point to a re-emergence of rental growth in Europe's largest economy.

Market Background and Outlook *continued*

Debt and Credit Markets

The availability and price of debt remains a significant concern for real estate markets across Europe. Banks continue to seek to reduce real estate lending exposure. Significant asset disposals to date have focused on prime assets and both the UK and Irish (through the National Asset Management Agency) nationalised banks have been active. However, elsewhere there has been far less deleveraging and there has been a marked reluctance to write new business. The message we hear repeatedly is 'existing customers only'.

The CMBS (Commercial Mortgage-Backed Securities) market remains largely closed. The majority of outstanding securitisations date from 2006 and 2007. With most vehicles having a fixed life of 5-7 years, 2013 will be the peak of maturity and this remains a concern for the broader market rather than the listed sector.

However, all is not complete doom and gloom in credit markets. An important exception to the lack of activity this year has been the Covered Bond Market in Continental Europe (dominated by German and French institutions). Issuance against commercial property has risen from €100bn in 2008 to an estimated €180bn of total lending in 2011. This has proved to be an important part of the credit regime, but lending criteria is strict, with loan to values limited to less than 60%.

There have been several other interesting developments in debt markets. If the assets pledged are deemed to be of sufficient quality and liquidity and tenant covenants are acceptable, then it is a function of price. In the dark days of 2008 post Lehman, the greater concern was lack of debt availability at any cost. Grainger Trust, the UK's only listed residential owner, announced the refinancing of virtually its entire £890m debt book in September. For the larger listed companies, many of which have far better than average balance sheets, the bond markets also remain open. So far in 2011, £2.4bn has been raised (versus £2.8bn in 2010). This includes €500m by Unibail, €500m by Gecina and £340m by British Land. Both public and private companies (such as the Grosvenor and Cadogan Estates) have successfully participated in the US private placement market. The move away from traditional bank debt towards longer term bond issuance is set to continue. This type of debt often has longer maturities than the typical 5 year revolving credit facilities and provides another supportive source of funding.

As we move into 2012, we expect banks to step up the pace of refinancing or require borrowers to make asset sales. There is increasing pressure from regulators for banks to move to more secure equity ratios ahead of the formal deadlines. However, other institutional lenders such as insurance companies who were priced out of the market in the boom times of 2006 and 2007 are once again looking at the sector. Margins are healthy and competition has diminished. Ironically, new regulation (Solvency 2) encourages them to lend to property rather than own it on their balance sheet.

Property Shares

The FTSE EPRA/NAREIT Developed Europe Total Return Index in Sterling (the Ordinary share class' benchmark) produced a total return of -15.0%. The shape of the sector's performance over the six months splits into two distinct halves. Over the first three months, April to June, the index rose 7.5%, whilst the broader market (as measured by EuroStoxx 600) rose just 0.9% – a significant outperformance by real estate equities. However, the period from July to September saw the index fall -20.9% as property shares' correlation to the broader European equity market rose. Once again, investors saw the fate of property stocks inextricably linked to that of the banking sector. We think this was a severe response given the improvement to most listed companies' balance sheets following rights issues and other capital raisings in 2009 and 2010.

UK

UK property shares rose 9.8% in Q2 2011 but Q3 saw UK stocks fall -20.5% in line with Continental stocks in Sterling terms. At the individual stock level, performance in the first half of the period was dominated by the amount of exposure to London. Quite simply, investors wanted that and little else. There was little differentiation, large cap or small, office or retail, City or West End, developer or investor – it was just about the London exposure. In the larger names, Land Securities, British Land and Hammerson were all ahead of the benchmark whilst Capital Shopping Centres and Segro underperformed. The specialists, Great Portland, Derwent London, Workspace and Shaftesbury, with virtually 100% exposure to Greater London, all produced total returns in excess of 10%. Those with development opportunities such as Quintain and Capital & Counties were even more impressive. However, Q3 was a very different environment. The central theme was safety and income. Outperformers were those with the least debt or more importantly lines of credit to make opportunistic purchases such as London & Stamford, Development Securities and Hansteen. The Guernsey listed property

Market Background and Outlook *continued*

funds who generally own diversified UK secondary assets and deliver high dividends through over distribution (an unsustainable strategy in our view) had their moment in the sun with private investors focusing on the high quarterly distributions.

Europe

In local currency terms only, Norway outperformed the UK in Q2 2011 rising 12.4%. Performance was modest (less than 3%) from all other European countries except France and Germany. In France, performance was dominated by prime shopping centre owner/developer, Unibail. In Germany, the successful Initial Public Offering ("IPO") of GSW, a Berlin residential investment business, drew attention to this top performing sector. The attraction of long, strong income streams also helped Germany's only office REIT, Alstria. Over half its income is from state entities such as the City of Hamburg and large German corporations. Q3 2011 was altogether different with the European stocks down -21.2%. The flight to perceived safety resulted in huge relative outperformance from the Swiss stocks. Measured in local currency the Swiss companies rose 1.3% in Q3. All the four major stocks rose regardless of their differences in portfolio, strategy or management quality. This period was wholly dominated by the Eurozone crisis and Switzerland was the greatest beneficiary. Elsewhere the least leveraged, such as Mercialys in France (it has no debt on its balance sheet) outperformed and in a very similiar fashion to the UK's Guernsey stocks, those with a significant private shareholder base and high dividend also outperformed such as Befimmo and Warehouses de Pauw in Belgium.

Amazingly, through this difficult period, a small German office investor managed to complete its €322m IPO. The lack of risk appetite and the belief that the vendor (a financial institution) was a motivated seller resulted in a price 30% below their original expectations. Beyond the two IPOs mentioned, there were rights issues in Primary Health (£18m), Hansteen (£167m), Capital & Counties (£133m) and Workspace (£74m) in the UK. Rights issues in Continental Europe were Citycon in Finland (£100m) and DIC Asset in Germany (£42m).

In April, Prologis Europe, a Luxembourg domiciled, listed vehicle which was externally managed and part owned by Prologis US, was the subject of a successful bid from the US parent. They owned 38% of the company prior to the bid.

Debt Profiles

With asset values under pressure and rental growth restricted to a small number of sub-markets, the amount of debt companies are carrying is a critical statistic in our investment process. We calculate the weighted average current year end loan-to-value (LTV) across the sector to be only 41%. Both LTVs and absolute values are significantly lower than the peak of the market in early 2007. Importantly, of the debt outstanding, only 15% is due to mature in the next 12 months.

Outlook

In the last few months global financial markets have been thoroughly dominated by the sovereign debt and financing issues being faced by the peripheral Eurozone nations. Politics and economics are not easy bedfellows and the apparent lack of political urgency (until very recently) to seek to resolve this crisis has dismayed markets and commerce alike. Events are moving so fast that we must date stamp this paragraph (first week of November). At this juncture, there has been conditional agreement on further funding for Greece, together with a framework for private sector involvement in halving Greece's debt. Additionally, a number of initiatives have been agreed to reinforce and expand the European Financial Stability Facility and bring forward the implementation of its successor, the European Stability Mechanism. Importantly, however, this is all only a framework at present and, as always, the devil will be in the detail.

It is unclear how long these issues will remain in the foreground but the risk is that politicians continue to hold back from making difficult decisions for the foreseeable future.

In the meantime, we continue to feel the real world impact of financial market stress and political indecision. Confidence indicators, such as Purchasing Managers Indices, have continued to weaken and most forecasters have cut their estimates of future economic growth. A further period of recession across most of the Eurozone is now a distinct possibility and growth elsewhere in the world will be lower than many had hoped for at this point.

Amidst this gloom there are some positives. Interest rates are at historic lows and are likely to remain so for some time. In the UK, the Bank of England has announced a second round of quantitative easing and the ECB may have little choice but to follow suit if the Germans can be persuaded. Both these factors are likely to support the asset class. Furthermore, whilst the macro environment is

Market Background and Outlook *continued*

difficult, we remain positive about a number of occupational markets around Europe, as described above. Listed real estate companies are well placed to take advantage of these markets as they have the balance sheet strength to make acquisitions when many other investors are unable to and the management skills to make their assets perform.

Over time, banks are going to have to reduce their exposure to real estate amidst other parts of their balance sheets. This will also provide opportunities for well-financed real estate companies such as those in the Trust's portfolios.

Shareholders have had to put up with very significant volatility over the last few years and we do not anticipate this changing in the short term. The risks remain significant and the range of possible outcomes is very broad. Nonetheless, we remain positive about the prospects for our most favoured stocks. These companies pay relatively high and secure dividends that are continuing to grow. They have strong balance sheets and highly visible, long-dated income streams secured against good quality tenants occupying good quality buildings in prime locations. This in turn allows us to have confidence in our long term aspirations to grow the Trust's dividends.

Ordinary Shares

Financial Highlights

	Half year ended 30 September 2011 (Unaudited)	Half year ended 30 September 2010 (Unaudited)	% Change
Revenue			
Total revenue income (£'000)	**19,212**	17,783	+8.0
Income from operations before tax (£'000)	**15,910**	15,080	+5.5
Revenue earnings per share	**5.63p**	5.52p	+2.0
Net interim dividend per share	**2.40p**	2.30p	+4.3
Total (loss)/return per ordinary share#	**(32.80)p**	7.57p	

#Under IFRS, capital returns are included in "earnings"

	As at 30 September 2011 (Unaudited)	As at 31 March 2011 (Audited)	% Change
Balance Sheet			
Investments held at fair value (£'000)	**491,354**	571,264	-14.0
Shareholders' funds (£'000)	**437,092**	530,602	-17.6
Shares in issue at end of period (m)	**256.2**	256.2	–
Net debt	**12%**	7%	
Net asset value per share	**170.59p**	207.08p	-17.6

Performance

	Half year ended 30 September 2011	Year ended 31 March 2011
Assets and Benchmark		
Benchmark performance (price only)	**-17.6%**	+10.2%
NAV change	**-17.6%**	+11.8%
Benchmark performance (total return)	**-15.0%**	+15.2%
NAV total return	**-16.2%**	+15.4%
IPD Monthly Index total return*	**+4.0%**	+10.7%
Total return from direct property	**+6.1%**	+10.7%

	Half year ended 30 September 2011	Year ended 31 March 2011	% Change
Share Price			
Share price	**161.00p**	177.10p	-9.1
Share price total return	**-7.3%**	+12.6%	
Market capitalisation	**£413m**	£454m	-9.0

Sources: Thames River Capital/*IPD monthly, six month cumulative

Manager's Report

Ordinary Share Class

Marcus Phayre-Mudge MRICS **Fund Manager**
23 November 2011

Performance

The Ordinary share class total return at -16.2% was behind the benchmark total return of -15.0%. Between April and June, the share class total return NAV rose 7.7%, but this was followed by a very negative quarter with the total return NAV falling -22.3% in the period between July and the end of September.

The relative underperformance of the share class versus its benchmark also occurred entirely in the second half of the six month period. The sharp change in sentiment from late July, as examined in the Market Background section, resulted in relative performance being dictated by country, rather than individual stock positioning, and in particular the exposure to Switzerland. It was a reflection of the level of fear in the market that Switzerland's five property companies had a positive return between July and September whilst the rest of the sector fell more than 20%. For investors trying to stock pick using a fundamental analysis approach to local real estate markets, such a period was difficult. The Swiss commercial property occupational markets (dominated by Zurich and Geneva) are not in better shape than many of Western Europe's capital cities. Zurich's office market vacancy is over 9%, greater than London (West End or City), Oslo, Stockholm or central Paris. The reality is that rents are not rising in the Zurich office market and we remain under exposed to Swiss property companies.

Investment Activity

Over the period, turnover (purchases and sales divided by two) totalled £78.7m, which equates to 16% of the average net assets over the period. This compares to turnover of 14% for the year to end of March 2011.

The first quarter of the financial year is invariably the quietest in terms of investment activity due to the fact that over 65% of our revenue is received from companies declaring dividends in a tight period from the third week in March to the end of May. The strengthening of the Euro versus Sterling in the period also helped bolster the Sterling value of our Continental dividend receipts. This Sterling weakness (against all currencies) was undoubtably a contributor to the increased momentum of foreign capital investment into the UK property markets. This investment, however, has been almost entirely directed at the Central London market (both commercial and residential) and our exposure to the specialist London focused stocks, Great Portland, Derwent London, Shaftesbury and Workspace, increased steadily in the first part of the year. The two largest UK REITS, Land Securities and British Land, both have portfolios focused on Central London and high quality retail property (shopping centres, retail warehousing and supermarkets). These are the only areas of the UK market we feel comfortable with and we increased our exposure to both companies in the first quarter. Land Securities' results in May were dramatically ahead of analysts' expectations as the asset values of their London offices rose 6.5% and their London shops rose 12.3% in the previous six months. It was these London centric stocks which drove the outperformance of the UK versus the Continent in the first quarter. London remains one of a handful of office markets which continued to record rental growth over the period. However, as highlighted earlier, the crisis in Europe will affect the profitability and expansion plans of all banks and demand for office space in the City of London/Docklands will weaken. Towards the

Manager's Report *continued*

end of June and into July we took profits in a number of these London centric companies as share prices moved to considerable premiums to asset value. Whilst wishing to maintain exposure to this particular sub-market, but not wishing to hold equities at premiums to asset value, the fund acquired an office building in Vauxhall at a total cost of £8.25m. The property is fully let to 10 tenants and yields 6.75%. Over the medium term we expect the property to benefit from its proximity to the redevelopment of the New Covent Garden Market at Nine Elms.

As mentioned in the Market Background, German property companies also performed well as Europe's strongest economy continued to outstrip all its neighbours. We increased our exposure to both residential and commercial German property over the period. With the IPOs of GSW (Berlin residential) and Prime Office, as well as the capital increase and secondary placing (by its private equity founder) of 25% of Alstria and a rights issue in DIC Asset, the fund was able to make substantial investments. This is particularly important given how few listed property companies there are in Germany (relative to the size of its real estate market) and the difficulty in building substantial holdings. The German exposure in the fund increased by 50% over the six months (but is still a modest 5% of the portfolio).

Turnover in the portfolio increased in the second quarter as market volatility rose and dramatic price movements offered opportunities to add to holdings in companies where we believe in the management and the long term fundamentals of their chosen market. The Swedish stocks in June are a case in point. With the fear of slowing global growth, particularly in Asia, the stock markets in export led economies such as Sweden suffered unduly. Property stocks were not immune and we added to core holdings in Castellum, Hufvudstaden, Klovern and Wihlborgs. Alongside Germany, the only Continental European countries in which exposure increased over the six month period were Sweden and Norway. Norway has only one listed property company within the benchmark, Norwegian Properties, which owns office assets in Oslo and Stavanger. The Norwegian economy is set to grow next year by more than 2% and has a current account surplus. We believe its oil dominated economy will experience good employment growth next year – a rare event in Europe. It is of course a small country and our overweight exposure is still only 1% of the portfolio. The reduction in exposure to the Eurozone countries (excluding Germany) reflects our concerns over the timeframe and complexities surrounding a solution to the sovereign debt crisis. However, we are fundamental investors and whilst we reduced our overall exposure to France, we increased our holding in the largest company, Unibail, who continue to demonstrate superior returns from a high quality retail portfolio coupled with limited office exposure in Central Paris. The one part of the portfolio which did increase its European bias, at the expense of the UK, was retail. The headwinds for the consumer remain more acute in the UK and our underweight to Capital Shopping Centres increased in the period.

Distribution of Assets

In summary, the Continental European exposure decreased from 58.2% to 55.2% whilst the UK equity and physical property exposure increased. UK equities rose from 33.8% to 34.0% whilst the property exposure rose due to a positive revaluation and an acquisition to 10.8%. The only corporate bond position, Segro 6.75% 2015, was sold in the period. The top 40 quoted investments account for 80.1% of the total assets.

Revenue and Revenue Outlook

Although total income rose by 8.0% in comparison to the first 6 months of the prior year, net income from operations before tax increased by 5.5%. The differential between the gross and net figures was due to changes related to the physical property portfolio. At the gross level, there was an increase in rental income as a result of taking back the operation of the car park at the Colonnades from the previous tenant, NCP Ltd, however the costs of operating the car park fall in the expenses line. The tenant paid a capital sum to surrender their lease early and whilst this results in a loss of net income in the near term compared to the previous period, it gives us direct control and an opportunity to improve the quality of the operation. Likewise, service charge income increased as a result of a new lease arrangement at Harlow, with the associated costs falling under expenses. On a net basis there was very little overall change in the income from the property portfolio.

The total cost of borrowing increased by 2.2% due to a modest increase in the gearing level towards the end of the period.

The tax rate increased from 6.4% for the year to March 2011 to 9.4% for the current period. As predicted in the Annual Report, the payment of dividends by Continental European companies from their capital accounts did not occur to the same extent as it did in 2010. As a reminder, when overseas dividends are paid from capital accounts

Manager's Report *continued*

they generally do not attract either local withholding tax or UK corporation tax, thereby reducing the overall revenue tax rate for the Trust. Although some dividends were paid from capital accounts in the current period this was not to the same extent as in the prior year, with the resulting increase in the tax charge. It is anticipated that in the financial year to March 2013 most companies will resume paying dividends from revenue accounts in full, and a further increase in the revenue tax rate will be seen in that year.

At the half year around 80% of the investment income has been collected, therefore the impact of FX rates on the income return is less of a factor in the second half of the year. The tax charge is influenced by the income mix. Distributions from PIDs (Property Income Distributions) and franked dividends in the UK are taxed differently and withholding taxes on overseas divendends differ depending upon the source and nature of the distribution. If the overall mix of income is substantially different from that currently forecast there will be changes to the revenue tax rate. The earnings for the first half of the year are broadly in line with expectations and at this stage we are comfortable that the revenue forecast set out in the Annual Report of 6.40p per share will be met.

Gearing, Debt and Debentures

As stated in the Chairman's Statement, the gearing levels in the two share classes are not directly comparable. Drawings on our revolving loan facility took total borrowings from £39.9m to £52.1m, an increase of £12.2m over the period. A large part of this was to finance the purchase of Park Place at Vauxhall as detailed below. The headline level of gearing in the Ordinary share class increased from 7% to 12% over the period. With over 10% of the gross assets of the portfolio in physical property, it has a lower risk and volatility profile than a pure equity portfolio and therefore a higher gearing level than might be applied to a pure equity portfolio is appropriate. This is also illustrated by the "see-through" gearing analysis where we add the property assets and debt of the companies in which we invest to the on-balance sheet direct property assets and debt of the share class, at the end of September see-through gearing at 49.9% was only marginally ahead of the benchmark figure of 48.1%.

The two year multi-currency facility with ING was signed in May, the one year RBS facility is due for renewal in December. In addition to these two loans, the share class has an allocation of the 2016 debenture loan. The total of these loans and facilities allocated to the Ordinary share class is £76.2m and added to this is the ability to gear through the use of CFDs. The Trust therefore has access to a range of debt options in terms of source and maturity.

Direct Property Portfolio

The physical property portfolio produced a positive total return for the 6 months of 6.1%, comprising a capital return of 3.9% and an income return of 2.2%. The portfolio outperformed the IPD Monthly Index which produced a total return of 4.0%. The outperformance was driven by asset management at Harlow and The Colonnades.

In July we completed the purchase of Park Place, 10-12 Lawn Lane, Vauxhall, the first property purchase for the Trust in 4 years. Total acquisition costs were £8.25m which reflects a net initial yield of 6.75% and a gross capital value of £320 per sq ft. This 25,000 sq ft converted Victorian warehouse is multi-let to 10 office tenants and is 100% occupied. Rents range in the property from £14 to £30 per sq ft and there are a number of opportunities to extend leases and increase the rental income.

At Harlow we completed the lease of two floors to Teva (now occupying 47% of the building) following a comprehensive refurbishment of the air-conditioning. The refurbishment was funded through the surrender premium received from Windsor Life (the previous tenant) and secures Teva (a large global pharmaceuticals business) at the building on a 10 year lease. We are in discussions with the remaining tenants regarding both the vacant space and lease renewals. At The Colonnades in Bayswater, we completed a successful rent review of the Waitrose lease, settled through third party determination. The rent increased by £67,000 p.a. from the previous rent of £471,000 p.a. (14%). We were also able to complete a further 16 residential lease extensions over the six months receiving premiums totalling £950,000. We have now completed lease extensions on 25% of the flats at The Colonnades.

Marcus Phayre-Mudge
Fund Manager
Ordinary Share Class

Ordinary Share Class Portfolio

Largest Quoted Investments (Country of listing)

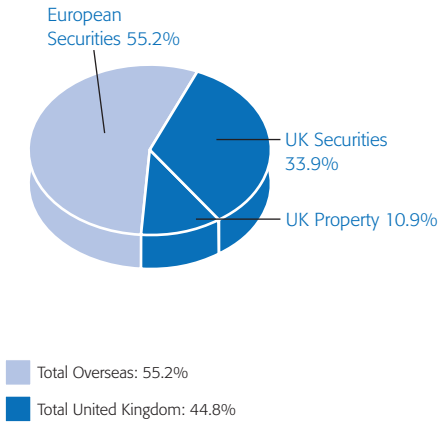
as at 30 September 2011

The 40 largest quoted investments amount to £393,554,000 or 80.1% of total investments (convertibles and all classes of equity in any one company being treated as one investment).

	Market Value £'000		Market Value £'000		Market Value £'000
Unibail-Rodamco (France)	70,465	Eurocommercial Properties (Netherlands)	7,949	Workspace (UK)	3,915
Land Securities (UK)	37,608	Gecina (France)	7,364	Safestore Holdings (UK)	3,907
British Land (UK)	22,810	Icade (France)	7,191	Alstria Office (Germany)	3,793
Corio (Netherlands)	21,176	Shaftesbury (UK)	6,666	Big Yellow (UK)	3,703
Hammerson (UK)	20,845	Wereldhave (Netherlands)	6,585	Deutsche Wohnen (Germany)	3,534
Klépierre (France)	14,659	Fabege (Sweden)	6,464	Beni Stabili (Italy)	3,345
Derwent London (UK)	12,881	Hufvudstaden (Sweden)	6,414	Cofinimmo (Belgium)	3,257
Segro (UK)	12,243	Deutsche Euroshop (Germany)	6,309	St Modwen (UK)	3,172
Castellum (Sweden)	10,658	Silic (France)	5,708	Songbird Estates (UK)	3,014
Foncière des Régions (France)	10,310	Vastned Retail (Netherlands)	5,012	Sponda (Finland)	3,000
PSP Swiss Property (Switzerland)	10,156	Norwegian Property (Norway)	4,896	Citycon (Finland)	2,944
Great Portland Estates (UK)	9,430	Capital Shopping Centres (UK)	4,758	Helical Bar (UK)	2,816
Swiss Prime Site (Switzerland)	8,239	CA Immobilien (Austria)	4,327		
GSW (Germany)	8,004	Wihlborgs (Sweden)	4,027		

Distribution of Investments

as at 30 September 2011



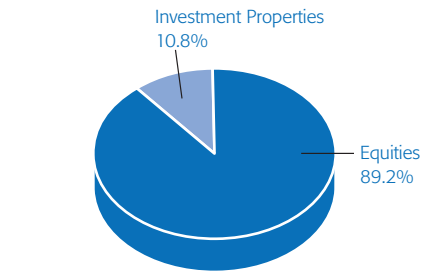
Distribution of Investments

as at 30 September 2011

	30 Sept 2011 £'000	30 Sept 2011 %	31 Mar 2011 £'000	31 Mar 2011 %
UK Securities – quoted	**166,612**	**33.9**	192,964	33.8
– fixed interest	**–**	**–**	1,054	0.2
UK Investment properties	**53,300**	**10.9**	44,325	7.7
UK Total	**219,912**	**44.8**	238,343	41.7
European Securities				
France	**122,562**	**24.9**	158,874	27.8
Netherlands	**42,539**	**8.7**	50,385	8.8
Sweden	**34,419**	**7.0**	39,569	6.9
Germany	**24,363**	**5.0**	18,209	3.2
Switzerland	**18,395**	**3.7**	23,849	4.2
Other	**29,164**	**5.9**	42,035	7.4
Investments held at fair value	**491,354**	**100.0**	571,264	100.0
– CFD creditor[1]	**(13)**	**0.0**	(22)	0.0
Total investments	**491,341**	**100.0**	**571,242**	**100.0**

Investment Exposure

as at 30 September 2011



Investment Exposure

as at 30 September 2011

	30 Sept 2011 £'000	30 Sept 2011 %	31 Mar 2011 £'000	31 Mar 2011 %
UK Securities – quoted	**166,612**	**33.9**	192,964	33.8
– fixed interest	**–**	**–**	1,054	0.2
– CFD exposure	**611**	**0.1**	–	–
UK Investment properties	**53,300**	**10.8**	44,325	7.7
UK Total	**220,523**	**44.8**	238,343	41.7
European Securities				
– quoted	**271,442**	**55.2**	332,921	58.2
– CFD exposure[2]	**–**	**–**	674	0.1
Total investment exposure[3]	**491,965**	**100.0**	**571,938**	**100.0**

[1]Net unrealised gain/(loss) on CFD contract held as balance sheet debtor/(creditor).
[2]Gross value of CFD positions.
[3]Total investments illustrating market exposure including the gross value of CFD positions.

Ordinary Portfolio Investment Properties *as at 30 September 2011*

Value in excess of £10 million

Property	Sector	Tenure	Size (sq ft)	Principal tenants
The Colonnades Bishops Bridge Road London W2	**Mixed Use**	**Freehold**	**44,000 200 space car park 242 residential units**	**Waitrose Ltd Velmore Ltd**

The property comprises a large mixed-use block in Bayswater, constructed in the mid-1970s. The site extends to approximately 2 acres on the north east corner of the junction of Bishops Bridge Road and Porchester Road, close to Bayswater tube station and the Whiteleys Shopping Centre.

Value less than £10 million

Property	Sector	Tenure	Size (sq ft)	Principal tenants
Field House Station Approach Harlow	**Offices**	**Freehold**	**66,000**	**Teva UK Ltd Close Brothers Ltd**

Located next to Harlow Town railway station, the building was constructed in the late 1980s and comprises a 66,000 sq ft office building on a site of 3.5 acres. The building is multi-let to a variety of tenants with 50% of the property's income expiring in 2021.

Property	Sector	Tenure	Size (sq ft)	Principal tenants
Solstice House 251 Midsummer Boulevard Milton Keynes	**Offices**	**Freehold**	**31,550**	**Exel Europe Ltd**

This 31,550 sq ft office building is situated in the prime office pitch in Milton Keynes and is located between the shopping centre and the railway station. The building is occupied by Exel Europe Ltd (trading as DHL) who have a lease expiring January 2015 and a tenants break option in January 2013.

Property	Sector	Tenure	Size (sq ft)	Principal tenants
Ferrier Street Industrial Estate, Ferrier Street Wandsworth SW18 and adjacent plots	**Industrial**	**Freehold**	**35,800**	**Absolute Taste Kougar Tool Hire Ltd Mossimans Page Lacquer**

The Ferrier Street Industrial Estate occupies a site of just over an acre, 50 metres from Wandsworth Town railway station in an area that is predominantly residential. The estate comprises 16 small industrial units generally let to a mix of small to medium sized private companies.

Property	Sector	Tenure	Size (sq ft)	Principal tenants
Park Place 10-12 Lawn Lane London SW8	**Offices**	**Freehold**	**25,600**	**Nacro Police Federation ETV Media Feed the Minds**

Located on the edge of the Nine Elms regeneration area, 150m from the Vauxhall Cross transport hub, this converted Victorian warehouse provides affordable office space close to the West End and Victoria office markets. The property is split into small suites and is 100% let.

Spread of Direct Portfolio by Capital Value (%)

as at 30 September 2011

	Office and mixed use	Retail	Industrial and business space	Residential Ground Rents	Total
Central London	23.6	22.3	15.1	17.4	78.4
Around the M25	14.5				14.5
Other South East	7.1				7.1
Total	**45.2**	**22.3**	**15.1**	**17.4**	**100.0**

Note: Mixed use has been split into component parts and so is not comparable with prior year.

Lease Lengths within the Direct Property Portfolio (%)

as at 30 September 2011

	Gross rental income
less than 1 year (including voids)	9.8
1 to 3 years	43.5
4 to 5 years	9.7
6 to 10 years	36.0
11 to 15 years	–
Over 15 years	1.0
	100.0

Ordinary Share Class Statement of Comprehensive Income

for the half year ended 30 September 2011

	(Unaudited) Half year ended 30 September 2011			(Unaudited) Half year ended 30 September 2010			(Audited) Year ended 31 March 2011		
	Revenue Return £'000	**Capital Return £'000**	**Total £'000**	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Income									
Investment income	**16,732**	**–**	**16,732**	15,809	–	15,809	20,581	–	20,581
Other operating income	**17**	**–**	**17**	18	–	18	23	–	23
Gross rental income	**1,650**	**–**	**1,650**	1,486	–	1,486	3,041	–	3,041
Service charge income	**813**	**–**	**813**	470	–	470	1,222	–	1,222
(Losses)/gains on investments held at fair value	**–**	**(97,866)**	**(97,866)**	–	5,920	5,920	–	54,475	54,475
Net (losses)/returns on contracts for difference	**–**	**(96)**	**(96)**	–	–	–	29	(22)	7
Total income	**19,212**	**(97,962)**	**(78,750)**	17,783	5,920	23,703	24,896	54,453	79,349
Expenses									
Management fees	**(1,285)**	**(643)**	**(1,928)**	(1,219)	(609)	(1,828)	(2,494)	(1,247)	(3,741)
Repayment of prior years' VAT	**117**	**58**	**175**	59	30	89	59	30	89
Direct property expenses, rent payable and service charge costs	**(1,156)**	**–**	**(1,156)**	(595)	–	(595)	(1,577)	–	(1,577)
Other administrative expenses	**(362)**	**–**	**(362)**	(345)	–	(345)	(689)	–	(689)
Total operating expenses	**(2,686)**	**(585)**	**(3,271)**	(2,100)	(579)	(2,679)	(4,701)	(1,217)	(5,918)
Operating profit	**16,526**	**(98,547)**	**(82,021)**	15,683	5,341	21,024	20,195	53,236	73,431
Finance costs	**(616)**	**(616)**	**(1,232)**	(603)	(603)	(1,206)	(1,179)	(1,179)	(2,358)
Net profit before tax	**15,910**	**(99,163)**	**(83,253)**	15,080	4,738	19,818	19,016	52,057	71,073
Taxation	**(1,497)**	**720**	**(777)**	(902)	528	(374)	(1,223)	828	(395)
Net profit/(loss)	**14,413**	**(98,443)**	**(84,030)**	14,178	5,266	19,444	17,793	52,885	70,678
(Loss)/earnings per Ordinary share (note 3a)	**5.63p**	**(38.43)p**	**(32.80)p**	5.52p	2.05p	7.57p	6.94p	20.61p	27.55p

Ordinary Share Class Balance Sheet

as at 30 September 2011

	30 September 2011 (Unaudited) £'000	30 September 2010 (Unaudited) £'000	31 March 2011 (Audited) £'000
Non-current assets			
Investments held at fair value	**491,354**	518,790	571,264
Current assets			
Other receivables	**5,400**	3,092	5,707
Cash and cash equivalents	**531**	3,480	3,012
	5,931	6,572	8,719
Current liabilities	**(45,024)**	(23,591)	(33,840)
Net current liabilities	**(39,093)**	(17,019)	(25,121)
Total assets less current liabilities	**452,261**	501,771	546,143
Non-current liabilities	**(15,169)**	(15,684)	(15,541)
Net assets	**437,092**	486,087	530,602
Net asset value per Ordinary share	**170.59p**	189.34p	207.08p

Sigma Shares

Financial Highlights

	Half year ended 30 September 2011 (Unaudited)	Half year ended 30 September 2010 (Unaudited)	% Change
Revenue			
Total revenue income (£'000)	**3,148**	2,130	+47.8
Income from operations before tax (£'000)	**2,581**	1,586	+62.7
Revenue earnings per share	**1.89p**	1.13p	+67.3
Net interim dividend per share	**0.95p**	0.90p	+5.6
Total (loss)/return per share#	**(20.50)p**	3.01p	

#Under IFRS, capital returns are included in "earnings".

	As at 30 September 2011 (Unaudited)	As at 31 March 2011 (Audited)	% Change
Balance Sheet			
Investments held at fair value (£'000)	**120,048**	150,308	-20.1
Shareholders' funds (£'000)	**112,522**	139,841	-19.5
Shares in issue at end of period (m)	**124.7**	124.9	-0.2
Net debt	**7%**	8%	
Net asset value per share	**90.22p**	111.94p	-19.4

Performance

	Half year ended 30 September 2011	Year ended 31 March 2011
Assets and Benchmark		
Benchmark performance (price only)	**-17.9%**	+13.1%
NAV change	**-19.5%**	+14.1%
Benchmark performance (total return)	**-16.2%**	+16.9%
NAV total return	**-18.5%**	+16.5%

	Half year ended 30 September 2011	Year ended 31 March 2011	% Change
Share Price			
Share price	**75.50p**	83.45p	-9.5
Share price total return	**-8.3%**	+19.7%	
Market capitalisation	**£94m**	£104m	-9.6

Source: Thames River Capital.

Manager's Report

Sigma Share Class

James Wilkinson MRICS **Fund Manager**
23 November 2011

Performance

Over the half year to 30 September 2011 the Sigma share NAV total return was -18.5% compared to the benchmark total return of -16.2%. As described in the section on Market Background, the first six months of the financial year can be split into two distinct periods in which markets first rose and then fell sharply. Sigma's performance relative to the benchmark followed this pattern, with the fund outperforming in the first three months and then losing ground in the second three months.

Such a period of negative returns is always disappointing and the last six months has been especially frustrating. As shareholders know, the Trust's management team concentrates on identifying property companies and management that can outperform the market over the long term. We do this by focusing on fundamentals from the bottom up rather than taking top down macro views on national or international economics. We believe that real estate is more local than global and that the best real estate companies possess an ability to manufacture real estate returns irrespective of what the wider market is doing.

Our investment decisions are based on our assessment of the relative value of companies and their ability to generate returns over a period of years. Many of Sigma's stocks are relatively illiquid when compared to the likes of Land Securities or Unibail and when we make a decision to invest we do so for the long term. We are not traders of these stocks. This long term, stock-specific approach has been ill-suited to markets since the escalation of the Eurozone crisis, which have been driven by macro events

Manager's Report *continued*

both economic and political. Many real money, long term investors have recoiled from such volatile markets, meaning that liquidity has been poor and stock markets have been dominated by investors trading on directional views, momentum and macro events. These investors often trade in whole country or sector indices, which results in all stocks in the group moving upwards or downwards together and the price movements of the most illiquid (often the smallest) stocks being amplified. We believe this is a temporary phenomenon, albeit one that can persist for some time, and that fundamentals will reassert themselves over time.

Sigma's underperformance can be largely attributed to its underweight positions in Switzerland. This is a market that we have consciously avoided due to unappealing fundamentals and expensive stock prices but which has performed remarkably well on the back of a flood of money buying Switzerland due to its perceived safe-haven status. The two largest Swiss stocks in Sigma's benchmark outperformed the wider market by 20% in the first half of the year.

Investment Activity and Distribution of Assets

Over the period, turnover (purchases and sales divided by two) totalled £33.85m, which equates to 25% of average investments over the period. This compares to turnover of 41% for the year to the end of March 2011 and 16.6% for the six months to the end of September 2010.

The distribution of assets is set out in the table on page 25. Broadly, activity is centred on increasing exposure to the UK, Germany and the Netherlands and decreasing exposure to Belgium and Switzerland.

We continue to have a significant overweight to London, where four stocks, including Great Portland Estates and Shaftesbury, account for 15.6% of total investments. Germany now accounts for 16.6% of investments, a truer reflection of the size and importance of the German real estate market in Europe than is found in the main EPRA benchmark used by the Ordinary share class. This also reflects our positive view of German markets and companies – especially the residential companies GSW and Deutsche Wohnen. Four out of the five largest holdings are in the UK or Germany.

For the reasons previously set out, Switzerland is our biggest underweight, closely followed by Belgium. We see the relative outperformance of the Swiss stocks as a short term anomaly in pricing and are content to maintain our positions in the belief that prices will ultimately correct over time.

Thematically, we also remain underweight the Guernsey and Jersey domiciled "REIT petites". These diversified UK investors, which make up 5% of Sigma's benchmark, generally pay uncovered dividends and have predominantly secondary portfolios. Most of them are also structured as externally managed funds rather than internally managed businesses, which we consider often leads to a misalignment of interests.

Revenue and Revenue Outlook

Sigma earnings per share at 1.89p per share are well ahead of the prior year earnings at this stage of 1.13p. A number of factors have contributed to this: increased dividend levels from our investments have paid a part, but a much more significant factor has been changes in the portfolio; generally additions to holdings have been in companies which pay their dividends in the first half.

The tax charge at 9.6% of earnings before tax is higher than the 7.6% charge in the year end accounts. As explained in the Annual Report, a number of dividends in the financial year to March 2011 were distributed by companies from capital accounts and therefore did not attract local withholding taxes, as anticipated, although some payments in the current year have been made from capital accounts it has been to a much lesser extent.

The increased income in the first half of the year has to a large extent been at the expense of revenue in the second half. In addition, we are already aware that one of the significant dividends we expected to receive just before our year end will now move into April. We therefore still anticipate a full year level of earnings of around 2.40p, as forecast [in May], slightly behind the 2011 result.

Despite an expected fall in the full year earnings over the prior year, we expect that this level of earnings will be sustainable and therefore the Board has been comfortable in increasing the dividend at the interim stage.

Debt, Gearing and Debenture

The overall debt position in the share class reduced from £11.9m to £8.7m but due to the fall in the absolute value of investments gearing only fell from 8% to 7%.

The two year multi-currency facility with ING was signed in May, the one year RBS facility is due for renewal in

Manager's Report *continued*

December. In addition to these two loans, the share class has a share of the 2016 debenture loan. The total of these loans and facilities allocated to the Sigma share class is £18.8m and added to this is the ability to gear through the use of CFDs. The Trust therefore has access to a range of debt options in terms of source and maturity.

James Wilkinson
Fund Manager
Sigma Share Class

Sigma Share Class Portfolio

Largest Quoted Investments (Country of listing)

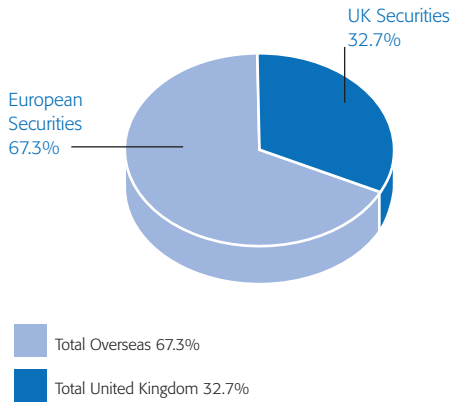
as at 30 September 2011

The 40 largest quoted investments amount to £107,274,000 or 89.4% of total investments (convertibles and all classes of equity in any one company being treated as one investment).

	Market Value £'000		Market Value £'000		Market Value £'000
Great Portland Estates (UK)	6,553	Cap & Counties (UK)	2,889	Safestore (UK)	1,594
Shaftesbury (UK)	6,338	Citycon (Finland)	2,512	Big Yellow (UK)	1,543
Deutsche Euroshop (Germany)	6,170	Conwert Immobilien (Austria)	2,410	Compagnie Foncière International (France)	1,523
GSW Immobilien (Germany)	4,974	Foncière des Murs (France)	2,358	DIC (Germany)	1,392
Vastned Retail (Netherlands)	4,642	Argan (France)	2,321	St Modwen (UK)	1,378
Fabege (Sweden)	4,547	Tour Eiffel (France)	2,199	Alstria Office (Germany)	1,292
Eurocommercial (Netherlands)	4,523	Hansteen (UK)	2,157	Klovern (Sweden)	1,254
CA Immobilien (Austria)	4,254	Beni Stabili (Italy)	2,120	The Local Shopping REIT (UK)	1,223
Kungsleden (Sweden)	3,700	Immobiliare Grande Distribuzione (Italy)	2,096	Prime Office (Switzerland)	1,198
Sponda (Finland)	3,400	Nieuwe Steen (Germany)	2,062	Grainger (UK)	1,127
Wihlborgs (Sweden)	3,243	Quintain Estates & Developments (UK)	1,961	Helical Bar (UK)	1,094
Norwegian Property (Norway)	3,065	Befimmo (Belgium)	1,736		1,082
Deutsche Wohnen (Germany)	3,058	ANF (France)	1,662		
Workspace (UK)	3,003	Foncière Paris (France)	1,621		

Distribution of Investments

as at 30 September 2011



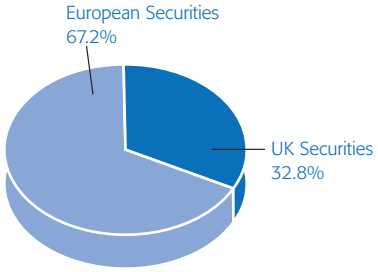
Distribution of Investments

as at 30 September 2011

	30 Sept 2011 £'000	30 Sept 2011 %	31 Mar 2011 £'000	31 Mar 2011 %
UK Securities – quoted	**39,296**	**32.7**	45,141	30.0
European Securities				
– Germany	**19,959**	**16.6**	12,915	8.6
– Sweden	**13,409**	**11.2**	24,129	16.1
– France	**13,121**	**10.9**	16,085	10.7
– Netherlands	**11,407**	**9.5**	15,928	10.6
– Austria	**6,664**	**5.6**	9,757	6.5
– Other	**15,371**	**12.8**	25,519	16.9
– Fixed interest	**821**	**0.7**	834	0.6
Investments held at fair value	**120,048**	**100.0**	150,308	100.0
– CFD debtor[1]	**4**	**0.0**	–	–
Total investments	**120,052**	**100.0**	**150,308**	**100.0**

Investment Exposure

as at 30 September 2011



Investment Exposure

as at 30 September 2011

	30 Sept 2011 £'000	30 Sept 2011 %	31 Mar 2011 £'000	31 Mar 2011 %
UK Securities – quoted	**39,296**	**32.7**	45,141	30.0
– CFD exposure[2]	**164**	**0.1**	–	–
UK Total	**39,460**	**32.8**	45,141	30.0
European Securities				
– quoted	**79,931**	**66.5**	104,333	69.4
– fixed interest	**821**	**0.7**	834	0.6
Total investment exposure[3]	**120,212**	**100.0**	**150,308**	**100.0**

[1]Net unrealised gain/(loss) on CFD contract held as balance sheet debtor/(creditor).
[2]Gross value of CFD positions.
[3]Total investments illustrating market exposure including the gross value of CFD positions.

Sigma Share Class Statement of Comprehensive Income

for the half year ended 30 September 2011

	(Unaudited) Half year ended 30 September 2011			(Unaudited) Half year ended 30 September 2010			(Audited) Year ended 31 March 2011		
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Income									
Investment income	**3,132**	**–**	**3,132**	2,117	–	2,117	4,610	–	4,610
Other operating income	**16**	**–**	**16**	13	–	13	14	–	14
(Losses)/gains on investments held at fair value	**–**	**(27,617)**	**(27,617)**	–	2,664	2,664	–	17,190	17,190
Net returns on contracts for difference	**–**	**4**	**4**	–	–	–	–	–	–
Total income	**3,148**	**(27,613)**	**(24,465)**	2,130	2,664	4,794	4,624	17,190	21,814
Expenses									
Management fees	**(369)**	**(184)**	**(553)**	(337)	(169)	(506)	(692)	(346)	(1,038)
Repayment of prior years' VAT	**27**	**14**	**41**	14	7	21	14	7	21
Other administrative expenses	**(74)**	**–**	**(74)**	(70)	–	(70)	(161)	–	(161)
Total operating expenses	**(416)**	**(170)**	**(586)**	(393)	(162)	(555)	(839)	(339)	(1,178)
Operating profit	**2,732**	**(27,783)**	**(25,051)**	1,737	2,502	4,239	3,785	16,851	20,636
Finance costs	**(151)**	**(151)**	**(302)**	(151)	(151)	(302)	(300)	(300)	(600)
Net profit before tax	**2,581**	**(27,934)**	**(25,353)**	1,586	2,351	3,937	3,485	16,551	20,036
Taxation	**(227)**	**–**	**(227)**	(171)	–	(171)	(274)	–	(274)
Net profit/(loss)	**2,354**	**(27,934)**	**(25,580)**	1,415	2,351	3,766	3,211	16,551	19,762
(Loss)/earnings per Sigma share (note 3b)	**1.89p**	**(22.39)p**	**(20.50)p**	1.13p	1.88p	3.01p	2.57p	13.25p	15.82p

Sigma Share Class Balance Sheet

as at 30 September 2011

	30 September 2011 (Unaudited) £'000	30 September 2010 (Unaudited) £'000	31 March 2011 (Audited) £'000
Non-current assets			
Investments held at fair value	**120,048**	133,491	150,308
Current assets			
Other receivables	**1,100**	4,795	7,295
Cash and cash equivalents	**843**	3,621	1,176
	1,943	8,416	8,471
Current liabilities	**(6,620)**	(14,089)	(16,089)
Net current liabilities	**(4,677)**	(5,673)	(7,618)
Total assets less current liabilities	**115,371**	127,818	142,690
Non-current liabilities	**(2,849)**	(2,849)	(2,849)
Net assets	**112,522**	124,969	139,841
Net asset value per Sigma share	**90.22p**	100.04p	111.94p

Group Statement of Comprehensive Income

for the half year ended 30 September 2011

	(Unaudited) Half year ended 30 September 2011			(Unaudited) Half year ended 30 September 2010			(Audited) Year ended 31 March 2011		
	Revenue Return £'000	**Capital Return £'000**	**Total £'000**	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Income									
Investment income	**19,864**	**–**	**19,864**	17,926	–	17,926	25,191	–	25,191
Other operating income	**33**	**–**	**33**	31	–	31	37	–	37
Gross rental income	**1,650**	**–**	**1,650**	1,486	–	1,486	3,041	–	3,041
Service charge income	**813**	**–**	**813**	470	–	470	1,222	–	1,222
(Losses)/gains on investments held at fair value	**–**	**(125,483)**	**(125,483)**	–	8,584	8,584	–	71,665	71,665
Net (losses)/returns on contracts for difference	**–**	**(92)**	**(92)**	–	–	–	29	(22)	7
Total income	**22,360**	**(125,575)**	**(103,215)**	19,913	8,584	28,497	29,520	71,643	101,163
Expenses									
Management fees (note 2)	**(1,654)**	**(827)**	**(2,481)**	(1,556)	(778)	(2,334)	(3,186)	(1,593)	(4,779)
Repayment of prior years' VAT	**144**	**72**	**216**	73	37	110	73	37	110
Direct property expenses, rent payable and service charge costs	**(1,156)**	**–**	**(1,156)**	(595)	–	(595)	(1,577)	–	(1,577)
Other administrative expenses	**(436)**	**–**	**(436)**	(415)	–	(415)	(850)	–	(850)
Total operating expenses	**(3,102)**	**(755)**	**(3,857)**	(2,493)	(741)	(3,234)	(5,540)	(1,556)	(7,096)
Operating profit	**19,258**	**(126,330)**	**(107,072)**	17,420	7,843	25,263	23,980	70,087	94,067
Finance costs	**(767)**	**(767)**	**(1,534)**	(754)	(754)	(1,508)	(1,479)	(1,479)	(2,958)
Income from operations before tax	**18,491**	**(127,097)**	**(108,606)**	16,666	7,089	23,755	22,501	68,608	91,106
Taxation	**(1,724)**	**720**	**(1,004)**	(1,073)	528	(545)	(1,497)	828	(669)
Net profit/(loss)	**16,767**	**(126,377)**	**(109,610)**	15,593	7,617	23,210	21,004	69,436	90,440
(Loss)/earnings per Ordinary share (note 3a)	**5.63p**	**(38.43)p**	**(32.80)p**	5.52p	2.05p	7.57p	6.94p	20.61p	27.55p
(Loss)/earnings per Sigma share (note 3b)	**1.89p**	**(22.39)p**	**(20.50)p**	1.13p	1.88p	3.01p	2.57p	13.25p	15.82p

The total column of this statement represents the Group's Statement of Comprehensive Income, prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

All income is attributable to the shareholders of the parent company. There are no minority interests.

The final Ordinary dividend of 3.70p in respect of the year ended 31 March 2011 was declared on 25 May 2011 and paid on 2 August 2011. The final Sigma dividend of 1.25p in respect of the year ended 31 March 2011 was declared on 25 May 2011 and paid on 2 August 2011. These can be found in the Group Statement of Changes in Equity for the half year ended 30 September 2011.

Group and Company Statement of Changes in Equity

for the half year ended 30 September 2011 (Unaudited)	Share Capital Ordinary £'000	Share Capital Sigma £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings Ordinary £'000	Retained Earnings Sigma £'000	Total £'000
At 31 March 2011	**64,056**	**15,615**	**43,162**	**43,638**	**393,743**	**110,229**	**670,443**
Total comprehensive income:							
Loss for the half year	–	–	–	–	(84,030)	(25,580)	(109,610)
Transactions with owners, recorded directly to equity:							
Ordinary shares repurchased	–	(25)	–	25	–	(180)	(180)
Ordinary dividends paid	–	–	–	–	(9,480)	(1,559)	(11,039)
At 30 September 2011	**64,056**	**15,590**	**43,162**	**43,663**	**300,233**	**82,910**	**549,614**

for the half year ended 30 September 2010 (Unaudited)	Share Capital Ordinary £'000	Share Capital Sigma £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings Ordinary £'000	Retained Earnings Sigma £'000	Total £'000
At 31 March 2010	64,181	15,615	43,162	43,513	338,641	92,965	598,077
Total comprehensive income:							
Profit for the half year	–	–	–	–	19,444	3,766	23,210
Transactions with owners, recorded directly to equity:							
Ordinary dividends paid	–	–	–	–	(8,857)	(1,374)	(10,231)
At 30 September 2010	**64,181**	**15,615**	**43,162**	**43,513**	**349,228**	**95,357**	**611,056**

for the year ended 31 March 2011 (Audited)	Share Capital Ordinary £'000	Share Capital Sigma £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings Ordinary £'000	Retained Earnings Sigma £'000	Total £'000
At 31 March 2010	64,181	15,615	43,162	43,513	338,641	92,965	598,077
Profit for the year	–	–	–	–	70,678	19,762	90,440
Transactions with owners, recorded directly to equity:							
Ordinary shares repurchased	(125)	–	–	125	(826)	–	(826)
Ordinary dividends paid	–	–	–	–	(14,750)	(2,498)	(17,248)
At 31 March 2011	**64,056**	**15,615**	**43,162**	**43,638**	**393,743**	**110,229**	**670,443**

Group Balance Sheet

as at 30 September 2011

	30 September 2011 (Unaudited) £'000	30 September 2010 (Unaudited) £'000	31 March 2011 (Audited) £'000
Non-current assets			
Investments held at fair value	**611,402**	652,281	721,572
Current assets			
Other receivables	**6,500**	3,153	8,892
Cash and cash equivalents	**1,374**	7,101	4,188
	7,874	10,254	13,080
Current liabilities	**(51,644)**	(32,946)	(45,819)
Net current liabilities	**(43,770)**	(22,692)	(32,739)
Total assets less current liabilities	**567,632**	629,589	688,833
Non-current liabilities	**(18,018)**	(18,533)	(18,390)
Net assets	**549,614**	611,056	670,443
Capital and reserves			
Called up share capital	**79,646**	79,796	79,671
Share premium account	**43,162**	43,162	43,162
Capital redemption reserve	**43,663**	43,513	43,638
Retained earnings	**383,143**	444,585	503,972
Shareholders' funds	**549,614**	611,056	670,443
Net asset value per:			
Ordinary share	**170.59p**	189.34p	207.08p
Sigma share	**90.22p**	100.04p	111.94p

Group Cash Flow Statement

for the half year ended 30 September 2011

	Half year ended 30 September 2011 (Unaudited) £'000	Half year ended 30 September 2010 (Unaudited) £'000	Year ended 31 March 2011 (Audited) £'000
Reconciliation of operating revenue to net cash inflow from operating activities			
Net (loss)/gain before tax	**(108,606)**	23,755	91,109
Financing activities	**1,534**	1,508	2,958
Losses/(gains) on investments held at fair value through profit or loss	**125,575**	(8,584)	(71,665)
Decrease/(increase) in accrued income	**3,805**	2,046	(349)
(Increase)/decrease in other debtors	**(2,332)**	(266)	4,056
Increase/(decrease) in creditors	**25**	(566)	224
Net (purchases)/sales of investments	**(16,141)**	3,844	(4,259)
Decrease/(increase) in sales settlement debtor	**1,247**	5,531	(2,071)
(Decrease)/increase in purchase settlement creditor	**(3,404)**	(1,101)	4,268
Scrip dividends included in investment income	**–**	(2,762)	(837)
Net cash inflow from operating activities before interest and taxation	**1,703**	23,405	23,434
Interest paid	**(1,534)**	(1,508)	(2,958)
Taxation paid	**(1,677)**	(809)	(1,329)
Net cash (outflow)/inflow from operating activities	**(1,508)**	21,088	19,147
Financing activities			
Equity dividends paid	**(11,039)**	(10,231)	(17,248)
Purchase of Ordinary shares	**(180)**	–	(826)
Drawdown/(repayment) of loans	**9,125**	(15,485)	(8,538)
Net cash used in financing	**(2,094)**	(25,716)	(26,612)
Decrease in cash	**(3,602)**	(4,628)	(7,465)
Cash and cash equivalents at start of the period	**4,188**	11,445	11,445
Exchange movements	**788**	284	208
Cash and cash equivalents at end of the period	**1,374**	7,101	4,188

Notes to the Financial Statements

1 Basis of accounting

The financial statements have been prepared on the basis of the accounting policies shown in the annual financial statements for the year ended 31 March 2011 and in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

2 Management fees

	(Unaudited) Half year ended 30 September 2011			(Unaudited) Half year ended 30 September 2010			(Audited) Year ended 31 March 2011		
	Revenue Return £'000	**Capital Return £'000**	**Total £'000**	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Management fee	**1,654**	**827**	**2,481**	1,556	778	2,334	3,186	1,593	4,779
Repayment of prior years' VAT	**(144)**	**(72)**	**(216)**	(73)	(37)	(110)	(73)	(37)	(110)
	1,510	**755**	**2,265**	1,483	741	2,224	3,113	1,556	4,669

3 (Loss)/earnings per share

a (Loss)/earnings per Ordinary share

The (loss)/earnings per Ordinary share can be analysed between revenue and capital, as below.

	Half year ended 30 September 2011 (Unaudited) £'000	Half year ended 30 September 2010 (Unaudited) £'000	Year ended 31 March 2011 (Audited) £'000
Net revenue profit	**14,413**	14,178	17,793
Net capital (loss)/profit	**(98,443)**	5,266	52,885
Net total (loss)/profit	**(84,030)**	19,444	70,678
Weighted average number of Ordinary shares in issue during the period	**256,225,000**	256,725,000	256,514,041
	pence	pence	pence
Revenue earnings per Ordinary share	**5.63**	5.52	6.94
Capital (loss)/earnings per Ordinary share	**(38.43)**	2.05	20.61
(Loss)/earnings per Ordinary share	**(32.80)**	7.57	27.55

Notes to the Financial Statements *continued*

3 (Loss)/earnings per share continued

b (Loss)/earnings per Sigma share

The (loss)/earnings per Sigma share can be analysed between revenue and capital, as below.

	Half year ended 30 September 2011 (Unaudited) £'000	Half year ended 30 September 2010 (Unaudited) £'000	Year ended 31 March 2011 (Audited) £'000
Net revenue profit	**2,354**	1,415	3,211
Net capital (loss)/profit	**(27,934)**	2,351	16,551
Net total (loss)/profit	**(25,580)**	3,766	19,762
Weighted average number of Sigma shares in issue during the period	**124,789,760**	124,922,000	124,922,000
	pence	pence	pence
Revenue earnings per Sigma share	**1.89**	1.13	2.57
Capital (loss)/earnings per Sigma share	**(22.39)**	1.88	13.25
(Loss)/earnings per Sigma share	**(20.50)**	3.01	15.82

4 Changes in share capital

During the half year the Company made market purchases for cancellation of 200,000 Sigma shares of 12.5p each, representing 0.16% of the number of Sigma shares in issue at 31 March 2011. The aggregate consideration paid by the Company for the shares was £180,000. Shares are repurchased in order to enhance shareholder value. As at 30 September 2011 there were 256,225,000 Ordinary shares of 25p and 124,722,000 Sigma shares of 12.5p in issue.

5 Going concern

The directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

6 Related party transactions

There are no material related party transactions.

7 Comparative information

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in section 435(1) of the Companies Act 2006. The financial information for the half year ended 30 September 2010 and 30 September 2011 has not been audited. The figures and financial information for the year ended 31 March 2011 are an extract from the latest published accounts and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and include the report of the auditors, which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

Directors and Other Information

Directors
P L Salsbury (Chairman)
C M Burton
S Marrison
H Seaborn
P Spencer
R A Stone

Registered Office
51 Berkeley Square
London W1J 5BB

Registered Number
Registered as an investment company under Section 866 of the Companies Act 2006 in England and Wales No. 84492

Investment Manager
Thames River Capital LLP, authorised and regulated by the Financial Services Authority

51 Berkeley Square
London W1J 5BB
Telephone: 020 7360 1200
Facsimile: 020 7360 1300

Fund Manager: Ordinary Share Class
M A Phayre-Mudge MRICS
Fund Manager: Sigma Share Class
J F K Wilkinson MRICS
Finance Manager and Investor Relations:
J L Elliott ACA
Assistant Fund Manager:
A Lhonneur
Direct Property Manager:
G P Gay MRICS

Secretary
Capita Company Secretarial Services Limited
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Registrar
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 6ZY
Telephone: 0870 707 1363

Registered Auditor
Ernst & Young LLP
1 More London Place
London SE1 2AF

Stockbrokers
Cenkos Securities plc
6, 7, 8 Tokenhouse Yard
London EC2R 7AS

Solicitors
Slaughter and May
One Bunhill Row
London EC1Y 8YY

Fund Administrator
BNP Paribas Securities Services
55 Moorgate
London
EC2R 6PA

aic
The Association of Investment Companies

General Shareholder Information

Release of Results
The half year results are announced in late November. The full year results are announced in late May.

Annual General Meeting
The AGM is held in London in July.

Dividend Payment Dates
Dividends are usually paid on the Ordinary and Sigma shares as follows:

Interim	:	early January
Final	:	August

Dividend Payments
Dividends can be paid to Ordinary and Sigma shareholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the Registrar. Alternatively, shareholders can write to the Registrar (the address is given on page 34 of this report) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Share Price Listings
The market prices of the Company's Ordinary and Sigma shares are published daily in The Financial Times. Some of the information is published in other leading newspapers. The Financial Times also shows figures for the estimated Net Asset Values and the discounts applicable.

Share Price Information

	Ordinary Shares	Sigma Shares
ISIN	GB0009064097	GB00B1YW2J11
SEDOL	0906409	B1YW2J1
Bloomberg	TRY.LN	TRYS.LN
Reuters	TRY.L	TRYx.L
Datastream	TRY	TRYS

Internet
Details of the market price and Net Asset Value of the Ordinary and Sigma shares can be found on the Company's website at **www.trproperty.co.uk**.

Shareholders who hold their shares in certificated form can check their holdings with the Registrar, Computershare Investor Services PLC, via www.computershare.com. Please note that to gain access to your details on the Computershare site you will need the holder reference number stated on the top left hand corner of your share certificate.

Disability Act
Copies of this Report and Accounts and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate.

You can contact the Registrar, Computershare Investor Services PLC, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator, by dialling 0870 702 0005. Specially trained operators are available during normal business hours to answer queries via this service.

Alternatively, if you prefer to go through a 'typetalk' operator (provided by the Royal National Institute for Deaf People) you should dial 18001 followed by the number you wish to dial.

For investors through the TR Property Share Plan or ISA, a textphone telephone service is available on 01733 285714. This service is available during normal business hours.

Nominee Share Code
Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at meetings when invited to do so by the Chairman.

Investors in the TR Property Share Plan and ISA receive all shareholder communications. A voting instruction form is provided to facilitate voting at general meetings of the Company.

CGT Base Cost
Taxation of capital gains for shareholders who converted Ordinary shares to Sigma shares

Upon a disposal of all or part of a shareholder's holding of Ordinary shares or (as the case may be) Sigma shares, the shareholder's original capital gains tax base cost in his existing holding of Ordinary shares will have to be apportioned between that shareholder's Ordinary shares and Sigma shares.

We have now agreed with HM Revenue & Customs ("HMRC") to base this apportionment of the original capital gains tax base cost on the proportion of existing Ordinary shares that were converted by a shareholder into Sigma shares on 25 July 2007.

Therefore, if an Ordinary shareholder converted 20% of their existing Ordinary shares into Sigma shares on 25 July 2007, the capital gains tax base cost of the new Sigma shares acquired would be equal to 20% of the original capital gains tax base cost of the Ordinary shares that they held pre-conversion. The base cost of their remaining holding of Ordinary shares would then be 80% of the original capital gains tax base cost of their Ordinary shares held pre-conversion.

If in doubt as to the consequences of this agreement with HMRC, shareholders should consult with their own professional advisors.

Investing in TR Property Investment Trust plc

Market Purchases

The shares of TR Property Investment Trust plc are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Saving Scheme and ISA

BNP Paribas Securities Services (BNP Paribas) operates and administers both a share savings scheme and an ISA scheme (the Schemes) dedicated to the shares of the Company. BNP Paribas made these Schemes available at the request of the Company and they have operated since 2005. Both the share savings scheme and the ISA are subject to the Key Features document, which should be read before entering into the investment. These Schemes are subject to commission, stamp duty and administration charges, which are detailed in the Key Features document. Contact details are given on the page opposite.

Alternatively, UK residents can invest through the Alliance Trust. Alliance Trust provide and administer a range of self-select investment plans, including tax-advantaged ISAs and SIPPs (Self-Invested Pension Plans) and also Investment Plans and First Steps, an Investment Plan for Children. For more information Alliance Trust can be contacted on 08000 326 323, or visit **www.alliancetrust.co.uk**

Please remember that the value of your investments and any income from them may go down as well as up. Past performance is not a guide to future performance. You may not get back the amount that you invest. If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.

TR Property Share Plan

BNP Paribas Securities Services offers a Share Plan providing a simple and flexible way of investing in **TR Property Investment Trust plc**. The Share Plan offers the following:

- **Regular savings from £50 per month/quarter, or lump sum investments from £500**
- **An income reinvestment facility. Alternatively, you can have dividends paid to your bank or building society account**
- **All paperwork and documentation is simplified and reduced to a minimum**
- **Half yearly valuations with consolidated tax certificate**

TR Property ISA

You can invest directly in **TR Property Investment Trust plc** through the TR Property ISA. The ISA offers the following:

- **Tax free income and tax free growth**
- **Regular savings from £100 per month or an initial lump sum investment from £2,000, and further lump sums of £500**
- **An income reinvestment facility. Alternatively, you can have dividends paid to your bank or building society account**
- **Half yearly valuations and reports**
- **Both Mini and Maxi ISAs available for investment by lump sum or regular savings**

Under the TR Property ISA, you are permitted to transfer your existing ISA funds into the Trust. Investments retain their tax-efficient status during and after transfer.

Please remember that the value of your investment can fall as well as rise and you may not get back the amount originally invested. Tax assumptions may change if the law changes and the value of tax relief will depend upon your individual circumstances.

Further Information

Please consult our website **www.trproperty.co.uk** or write to:

BNP Paribas Securities Services
(TR Property Investment Trust plc Share Plan/ISA)
Block C, Western House
Lynch Wood Business Park
Peterborough
PE2 6BP

Alternatively, please contact your professional adviser for further information or call our Investor Services Department on 0845 358 1113.

BNP Paribas Securities Services is authorised and regulated by the Financial Services Authority. We may record telephone calls for our mutual protection and to improve customer service.

TR Property Investment Trust plc is managed by Thames River

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