TR Property Investment Trust Ordinary Shares

TR Property Investment Trust plc ■ Closed-ended investment trust - long only pan-European and UK direct property

The share class benchmark, the FTSE EPRA/NAREIT Europe Net TR Index (in GBP) rose 4.63% in June. Whilst the sector see-sawed in a 4% trading range, it leapt 4.4% in the last three days on the back of the EU summit. The announcement that the EFSF and ESM can recapitalise banks directly rather than through their respective sovereigns is a step towards breaking the toxic link between busted banks and their deeply indebted sovereigns. Importantly for debt market investors these, capital injections will not enjoy seniority over other bondholders. Whilst these and other measures announced after the summit are an important step in the right direction, they are not the solution and still require ratification from 17 nations. However, it is clearly positive and for our sector, intricately tied to banks and other lenders, it is important. Interestingly, European property shares have outperformed general European Equities (as measured by Euro Stoxx 600) by 742bps year –to-date. We firmly believe investors are beginning to appreciate the robustness of earnings, the quality of assets and the strengthened balance sheets of UK and European property companies.

French, UK and Italian stocks were the best performers in June with the latter responding to the news around the summit. The French stocks were led higher by Unibail (8.6%) which announced an agreement to acquire an effective 46% in MFI, Germany's 2nd largest shopping centre owner / manager with an owned portfolio of €1.5bn. We think this is an interesting off-market transaction which offers an existing platform in the one European market in which they were under represented. Unibail remains our largest investment (14.9% of NAV). Tour Eiffel, a small office owner/ developer is worthy of a mention. The stock rose 16% on the back of a successful sale of non-core medical centre assets followed by a successful refinancing of a €120m credit line. Another example of a listed property company concluding a debt restructuring - which market detractors claim is the sector's largest issue.

Within the portfolio our long positions in the UK, France and Italy aided performance whilst our underweight to Switzerland also helped as all four listed Swiss stocks underperformed the index.

Both share classes will go 'ex div' on 4th July and pay on 1st August. Together with the interim dividend the Ordinary share class will have paid 6.60p for the year-to-March 2012. A dividend yield of over 4.5%.

The AGM will be held at the RAC on 24th July at 12 noon.

Fund performance to 29.06.2012 (%)

	Current month	YTD	1 year	3 year	5 year
NAV (capital only)	+4.20	+8.18	-18.87	+32.14	-29.53
FTSE EPRA/NAREIT Developed European Index (capital only, GBP)	+4.23	+5.44	-19.32	+33.05	-39.71
Share price	+2.71	+7.32	-26.07	+21.81	-31.56

NAV per share (capital only)	174.96p
Share price	148.00p
Discount	15.40%
Yield	4.50%

Price is month-end mid-price. Source: BNP Paribas, Bloomberg. Refer to back of the monthly newsletter for monthly/annual return history and dividends.

Geographic allocation (%)

Austria	0.8
Belgium	1.1
Central Europe	2.1
Denmark	0.2
Finland	0.3
France	21.1
Germany	7.7
Italy	6.5
Netherlands	2.3
Norway	1.7
Other Overseas	0.4
Portugal	0.1
Spain	1.8
Sweden	9.0
Switzerland	3.9
UK	40.6
USA	0.4
Total	**100.0**

Asset allocation (%)

Continental Shares	53.1
UK Shares	36.5
UK Direct Property	10.4
Total	**100.0**

Sector allocation (%)

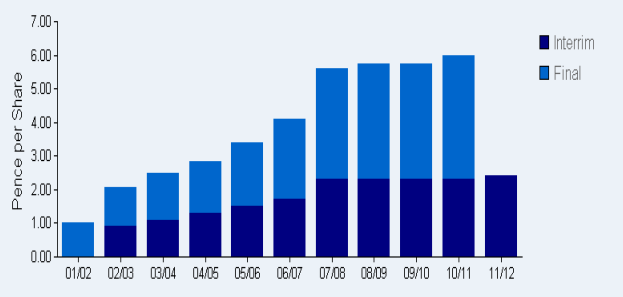
	Fund
Industrial	8.3
Offices	37.4
Other	6.0
Residential	8.9
Retail	39.4
Total	**100.0**

Figures above shown on a look-through basis.

Fund performance 28.02.1996 to 29.06.2012

Prior to 01.09.01 the benchmark was FTSE Real Estate index and prior to 01.04.07 it was the S&P Citigroup European Property Index. Source: BNP Paribas, EPRA.

Dividend history 28.02.2001 to 29.06.2012



Prior to 01.09.2001 the benchmark was FTSE Real Estate Index and prior to 01.04.2007 it was the S&P Citigroup European Property Index. Source: BNP Paribas.

Top 10 holdings (%)

UNIBAIL-RODAMCO	13.7
LAND SECURITIES	9.1
HAMMERSON	5.4
BRITISH LAND	4.7
DERWENT LONDON	3.2
KLEPIERRE	3.2
PSP SWISS PROPERTY	3.2
GSW IMMOBILIEN	2.8
CORIO	2.7
GREAT PORTLAND ESTATES	2.5

Note: Figures are Capital GAV based.

Key facts

Fund objective: The investment objective of the trust is to maximise total returns by investing in Pan European equities and UK direct property, focusing on long term capital and income growth.
Net Assets (Mn): £448.28mn
Net gearing: 8.6%
NAV frequency: Daily
Dealing: Daily (stockmarket)
Legal status: UK Investment Trust
Listing: London Stock Exchange
Dividends: January, July
Initial charge: Nil
Management fee: £2.65m p.a plus 0.20% net of assets p. a.
Performance fee: 15% of outperformance of benchmark plus 2% hurdle
Investment manager: Thames River Capital LLP
Stockbroker: Cenkos Securities plc
Administrator: BNP Paribas
Contact: c/o Joanne Elliott, TRC
Email: jelliott@thamesriver.co.uk
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