

TR Property Investment Trust Ordinary Shares



January 2013

Manager commentary

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Pan-European property shares had another positive month, the benchmark index rose +1.07% bringing the year-to-date figure to 23.92%. The NAV total return for the Trust over the last 12 months was 28.91% and the share price total return was 30.4%.

European property shares have outperformed the broader European equity markets with the EuroStoxx600 returning 18.2% and the FTSE All-Share 12.3% in 2012. Investors have warmed to the relatively secure, high and stable earnings available from good quality listed property companies. Where there is also evidence of rental growth (such as German residential) or strong international investor demand (Central London) returns have been excellent for companies exposed to such markets. Germany's residential companies averaged over 50% return in 2012. The Fund's largest London focused

overweight position, Great Portland Estates rose 51.4% in the year. The weakest performance came from those businesses with issues over balance sheet structure. Quite simply either too much debt or too expensive debt (they have swapped or hedged at interest rates way above current rates). We have seen a number of dividend cuts but in the same vein we also see steady, albeit modest, earnings growth from a range of companies able to continue taking advantage of historically low interest rates. The Fund's largest geographical underweight is to Switzerland. Swiss stocks have performed well in risk-off periods. Markets responded strongly to Draghi's post summer commitment to "doing whatever it takes" and consequently Swiss stocks relative performance was poor. The total return from the two largest Swiss property companies was 13.9% and 14.7% for the year.

At the EGM, shareholders overwhelmingly voted for the merger of the two shares classes. Following the conversion of Sigma shares into Ordinary shares (ratio of 0.4973 Ordinary for each Sigma share) there are now 317.875m shares in issue and the total net assets with income of the Trust is £655m.

The Trust's interim dividend was declared on 22 November at 2.65p for the Ordinary share class,

and 1.05p for the Sigma share class, a 10% increase on that paid in the previous year. The stocks went ex on 5 December and the payment date is 8 January. Holders of Sigma shares will receive their interim dividend. The final dividend will be announced at the end of May and paid in July. The current dividend yield is 4%.

Fund performance to 31.12.2012 (%)

	Current month	YTD	1 year	3 year	5 year	NAV per share (capital only)	201.70p
NAV (capital only)	+1.41	+24.71	+24.71	+14.06	-2.85	Share price	173.00p
FTSE EPRA/NAREIT Developed European Index	+0.98	+19.04	+19.04	+8.47	-16.95	Discount (capital only)	-14.23%
Share price	+3.97	+25.45	+25.45	+15.26	0.00	Yield	3.96%

Price is month-end mid price. Source: State Street.

Standardised performance as at 31.12.2012 (%)

	2009/ 2010	2010/ 2011	2011/ 2012
TR Property Investment Trust Ordinary Shares	7.92%	-15.26%	24.71%
Benchmark	7.70%	-15.39%	19.04%

Figures are based on capital only NAVs. Source: State Street.

Asset allocation (%)

UK Shares	36.7
UK Direct Property	7.8
Continental Shares	55.5
Total	100.0

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): £643.0mn

Net gearing: 7.1%

NAV frequency: Daily

Legal status: UK Investment Trust

Listing: London Stock Exchange

Dividends: January, July

Initial charge: Nil

Management fee: £2.75m p.a plus 0.20% net of assets p. a.

Performance fee: 15% of outperformance of benchmark plus 1% hurdle

Investment manager:

Thames River Capital LLP

Stockbroker: Cenkos Securities plc

Administrator: BNP Paribas

Email: www.trproperty.com

Registrar: Computershare Investor Services plc

Sector allocation (%)

Industrial	8.9
Offices	36.9
Other	6.7
Residential	9.6
Retail	37.9
TOTAL	100.0

Figures above shown on a look-through basis.

Fund performance since inception



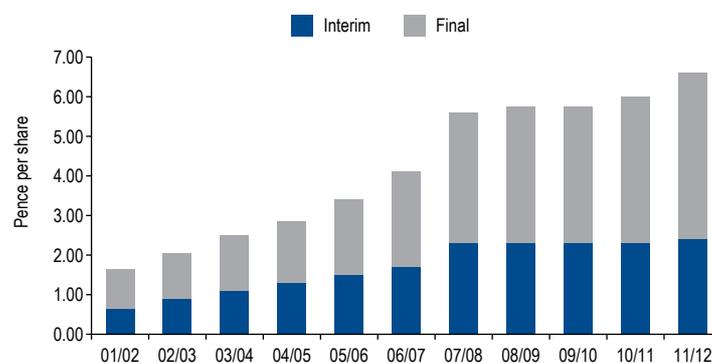
Source: State Street

Past performance is not a guide to future performance. Values may fall as well as rise and investors may not get back the full amount invested. Income from investments may fluctuate. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital growth. Changes in rates of exchange may have an adverse effect on the value, price or income of investments.

See through geographical allocation (%)

Austria	1.2
Belgium	1.4
Central Europe	2.9
Denmark	0.1
Finland	1.4
France	20.7
Germany	10.5
Greece	0.0
Ireland	0.0
Italy	6.4
Netherlands	2.2
Norway	2.0
Other Overseas	0.3
Portugal	0.1
Russia	0.1
Spain	1.6
Sweden	8.9
Switzerland	3.6
UK	36.5
USA	0.1
TOTAL	100.0

Dividend history



Source: State Street

Top holdings (%)

UNIBAIL-RODAMCO	11.6
LAND SECURITIES	7.1
HAMMERSON	4.5
GREAT PORTLAND ESTATES	4.0
BRITISH LAND	3.6
GSW IMMOBILIEN	2.7
DERWENT LONDON	2.7
KLEPIERRE	2.7
PSP SWISS PROPERTY	2.4
DEUTSCHE WOHNEN	2.4

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