

TR Property Investment Trust Ordinary Shares

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

Manager commentary

Chris Turner
Marcus Phayre-Mudge



European property shares outperformed general markets in March. The absence of any sector specific impact from events in Japan and the near Middle East helped support prices. Pricing was also assisted by the strong indication that the EBC gave in early March that it would raise Eurozone base rate in April. There is good evidence that, while real estate shares are interest rate sensitive, they perform well at the start of a new cycle of rising interest rates. Continental property shares rose 1.3% in Euro terms and 5.4% in Sterling terms. UK property shares, by contrast, declined by

1.9%, leaving the benchmark in Sterling 2.84% higher on the month. The Ordinary NAV per share rose 3.33%, and the share price increased 6.43% as the discount to NAV narrowed.

Leading UK shares fell back by 2% to 4% over the month as investors fretted over the outlook for retail rents in the wake of a string of negative consumer news stories. The Budget included further verbal support for the expansion of the REIT sector. It also contained an intriguing comment that the Chancellor abhorred planning delays and wanted to explore the possibility of amending the use classes order to speed up the conversion of office space to residential use. The four UK property companies who might benefit most from such a change, Capital and Counties, Workspace, St Modwen and CLS were all strong outperformers over the month.

During March the share class was, on balance, a modest net seller for around £1m, leaving year end net debt at a little under £40m. Purchases included additions to the holdings in Alstria, the German office investor and in Unibail Rodamco. New holdings were opened in Wihlborgs and IGD. Sales included reductions in the holdings of Hammerson and Capital Shopping Centres. The revaluation of the directly held properties at 31 March 2011 showed an increase in value of £1m - a 2.3% like for like increase. The Trust's final results for the year end 31 March are due to be released on Wednesday 25 May.

As announced last May, Chris Turner handed over the role of lead manager of the Ordinary share class to Marcus Phayre-Mudge on 1 April ahead of his imminent retirement. At the same time, Marcus has passed on his role as lead manager of the Sigma share class to James Wilkinson.

Fund performance to 31.03.2011 (%)

	Current month	YTD	1 year	3 year	5 year		
NAV (capital only)	+3.33	+6.69	+11.05	-6.05	-8.73	NAV per share (capital only)	203.61p
FTSE EPRA/NAREIT Developed European Index (capital only, GBP)	+2.84	+5.72	+10.17	-17.72	-23.60	Share price	177.10p
Share price	+6.43	+5.79	+11.10	-5.92	-15.47	Discount	13.02%
						Yield	3.25%

Price is month-end mid-price. Source: BNP Paribas, Bloomberg. Refer to back of the monthly newsletter for monthly/annual return history vs benchmark. Historical performances for distribution share classes may vary from previous issues of the Thames River newsletter. This follows an improvement in the performance calculation methodology (from monthly to daily cumulative), in order to be in line with Global Investment Performance Standards.

Geographic allocation (%)

Austria	1.7
Belgium	1.8
Central Europe	2.6
Denmark	0.2
Finland	2.1
France	22.4
Germany	8.7
Greece	0.1
Italy	4.8
Netherlands	2.8
Norway	1.8
Other	0.5
Portugal	0.1
Russia	0.1
Spain	2.1
Sweden	9.5
Switzerland	4.0
UK	34.5
USA	0.2
Total	100.0

Asset allocation (%)

Continental Shares	58.4
UK Shares	33.8
UK Direct Property	7.8
Total	100.0

Sector allocation (%)

	Fund
Industrial	9.4
Offices	35.4
Other	5.0
Residential	9.9
Retail	40.3
Total	100.0

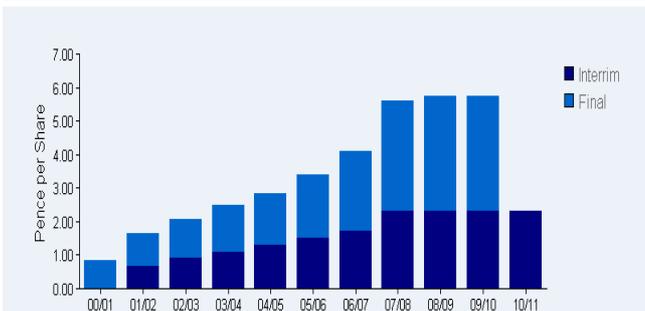
Figures above shown on a look-through basis.

Fund performance 30.12.1999 to 31.03.2011



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



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	14.6
Land Securities	6.6
British Land	5.7
Corio	3.9
Klepierre	3.3
Fonciere Des Regions	2.7
Derwent	2.6
Hammerson	2.5
Great Portland	2.5
Castellum	2.4

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): £521.7mn

Net gearing: 7.16%

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

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Registrar: Computershare Investor Services plc

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