

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

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March was another positive month for listed real estate company share prices with the EPRA Europe Index (TR, in GBP) +4.06% in the month. Investors warmed not only to broadly positive news flow from property companies reporting full year results, but also from a more optimistic response from Europe's political leaders and central bankers culminating in a further strengthening of the fiscal bailout system to €700bn. However, the severity of the structural reforms required across the eurozone are underestimated at one's peril. Spain remains in a difficult place announcing further austerity cuts of €27bn in the 2012 budget. Further

falls in house prices and rising unemployment figures (particular in the 18-34 yrs) points to further quarters in recession. Whilst the Fund has no direct exposure to Spanish property companies, a large number of property companies have pan-European portfolios particularly in the retail space. We monitor all our country exposures very carefully and minimising that particular country exposure is vital. On the other hand, Italy saw returns of 11% and 12% respectively from Beni Stabili and IGD as the cost of Italian sovereign debt tumbled from 7% to 5%. We maintain our long position in Italy.

The Ordinary share class NAV with income increased by 5.1% in March and brings the financial year-end figure to -8.5%. This compares to 4.1% for the benchmark in the month and -8.9% for the year, slight outperformance in both cases. The gearing remains at 9.1% but the property assets are 11.5% of the net assets. The property portfolio rose in value by 2.1% in

the six month revaluation at the end of March and thus contributed to the 1% outperformance in the month.

At the country level, alongside Italy, Germany was the other strong performer (+9.5%) as investors became more comfortable with the eurozone's issues and bought both the most likely beneficiary and the most bombed out parts of our universe. Traditional safe havens such as Belgium and Switzerland underperformed. We however continue to have concerns about over optimism particularly towards the European consumer. The Fund positioning remains focused on high quality companies with strong balance sheets. We continue to expect buying opportunities from the deleveraging cycle for those businesses with firepower. Unibail's raising of €750m through a 7 year bond at a yield of 3% (105 bps spread) in mid March is illustrative of the attractive cost of capital for those who can access it.

Fund performance to 30.03.2012 (%)

	Current month	YTD	1 year	3 year	5 year		
NAV (capital only)	+4.53	+11.47	-11.46	+46.76	-37.76	NAV per share (capital only)	180.28p
FTSE EPRA/NAREIT Developed European Index (capital only, GBP)	+3.43	+8.92	-12.82	+46.93	-46.48	Share price	154.50p
Share price	+1.18	+12.04	-12.76	+45.75	-39.76	Discount	14.30%
						Yield	3.90%

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 (%)

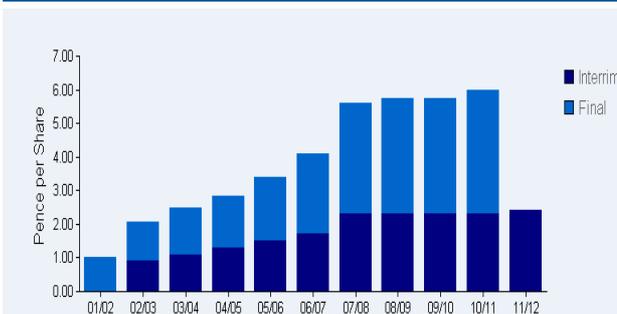
Austria	0.8
Belgium	1.3
Central Europe	2.3
Denmark	0.2
Finland	0.3
France	21.1
Germany	10.0
Italy	6.6
Netherlands	2.9
Norway	1.7
Other Overseas	0.5
Portugal	0.2
Spain	2.0
Sweden	8.6
Switzerland	3.5
UK	37.6
USA	0.4
Total	100.0

Fund performance 28.02.1996 to 30.03.2012



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 30.03.2012



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.

Asset allocation (%)

Continental Shares	55.8
UK Shares	33.8
UK Direct Property	10.4
Total	100.0

Sector allocation (%)

	Fund
Industrial	8.1
Offices	36.8
Other	5.5
Residential	9.3
Retail	40.3
Total	100.0

Figures above shown on a look-through basis.

Top 10 holdings (%)

UNIBAIL-RODAMCO	13.4
LAND SECURITIES	8.5
HAMMERSON	5.0
BRITISH LAND	4.4
CORIO	4.3
DERWENT LONDON	3.1
PSP SWISS PROPERTY	2.8
KLEPIERRE	2.7
GSW IMMOBILIEN	2.6
GREAT PORTLAND ESTATES	2.1

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): £461.9mn

Net gearing: 9.1%

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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