

TR Property Investment Trust Ordinary Shares



December 2012

Manager commentary

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Pan-European property shares had another positive month, the benchmark index, FTSE EPRA/NAREIT Developed Europe TR Net Index (in GBP) rose 2.4% bringing the year-to-date figure to 22.6%. However, it was certainly a tale of two halves with the index falling 4.2% in the first two weeks of the month only to rise 6.9% in the remaining fortnight. With the US presidential election out of the way, investors focused their concerns on the 'fiscal cliff' and the risk of bipartisan gridlock amongst lawmakers in Congress. However, subsequent economic data from both the US and China relieved some concerns and markets climbed once again.

Within the property sector, it was the Eurozone countries which outperformed the UK, Switzerland, Sweden and Norway. Austrian stocks rose 9.1% with both CA Immo and Conwert posting impressive gains. Germany rose

3.5% and French stocks were up 3.8%. The UK was a relative underperformer (+1.4%) in the month but remains an outperforming geographical region this year. At the stock level, St Modwen rose 8.2% on an upbeat trading statement and Helical Bar 16.2% on its interim results and positive news on its London centric development portfolio. The Swedish stocks remained lacklustre – partially on the continued fears around the tax issues (covered last month) but also the announcement of further layoffs in a number of industries. Swiss stocks performed poorly as expected in a rising market where they are seen as defensive plays. However they continue to trade at premiums to NAV and SPS took the opportunity to raise 10% new equity in a rights issue at the CHF 64 NAV versus a closing price of CHF 74. This stock remains a significant underweight in the fund and the resulting price weakness helped relative performance.

The interim dividend announced on 22nd November was 2.65p, a 10% increase on last year. The ex date is 5 December.

On 26 September, the Board of TRPIT announced a proposal to convert Sigma shares into Ordinary shares, creating a larger, more liquid Investment Trust with a single share class. The offer reflects a discount to Sigma's net asset

value after costs and the Board recommends that holders of both share classes vote in favour at the EGM (December 14th) or by proxy. The Circular and proxy forms were circulated with the Interim results. Any investor requiring more information should contact their TRC sales contact or the Trust's management team directly.

Fund performance to 30.11.2012 (%)

	Current month	YTD	1 year	3 year	5 year		
NAV (capital only)	+2.05	+22.98	+18.99	+14.79	-5.86	NAV per share (capital only)	198.90p
FTSE EPRA/NAREIT Developed European Index	+2.19	+17.88	+14.25	+9.92	-19.13	Share price	166.40p
Share price	-0.24	+20.67	+9.11	+3.35	-9.32	Discount (capital only)	-16.34%
						Yield	3.97%

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

Standardised performance as at 30.11.2012 (%)

	2009/ 2010	2010/ 2011	2011/ 2012
TR Property Investment Trust Ordinary Shares	-0.59%	-2.96%	18.99%
Benchmark	-0.32%	-3.48%	14.25%

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

Asset allocation (%)

UK Shares	37.5
UK Direct Property	9.5
Continental Shares	53.0
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): £509.5mn

Net gearing: 9.3%

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	8.5
Offices	36.6
Other	6.2
Residential	7.6
Retail	41.1
TOTAL	100.0

Figures above shown on a look-through basis.

Fund performance since inception

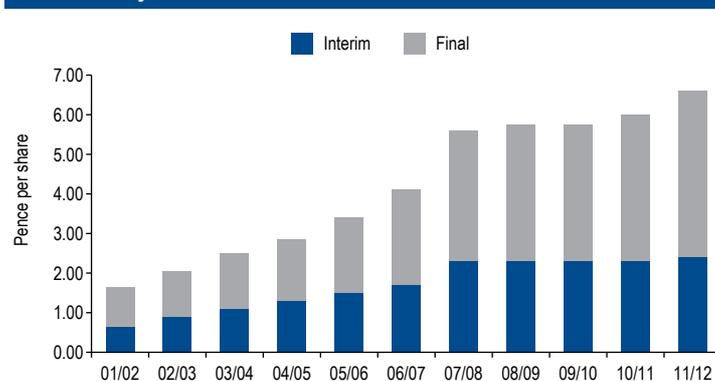


Past performance is not a guide to future performance. Values may fall as well as rise and investors may not get back the full amount invested. Income from investments may fluctuate. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital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

See through geographical allocation (%)

Austria	0.9
Belgium	1.0
Central Europe	2.5
Denmark	0.2
Finland	1.0
France	21.5
Germany	7.2
Greece	0.0
Ireland	0.0
Italy	6.1
Netherlands	2.3
Norway	1.6
Other Overseas	0.4
Portugal	0.2
Russia	0.1
Spain	1.9
Sweden	8.9
Switzerland	3.8
UK	40.3
USA	0.1
TOTAL	100.0

Dividend history



Source: State Street

Top holdings (%)

UNIBAIL-RODAMCO	14.2
LAND SECURITIES	8.7
HAMMERSON	5.4
BRITISH LAND	4.1
DERWENT LONDON	3.3
KLEPIERRE	3.3
GREAT PORTLAND ESTATES	3.2
PSP SWISS PROPERTY	3.0
CORIO	2.6
GSW IMMOBILIEN	2.3

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