

# 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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February was another positive month for listed real estate company share prices. The year-end reporting season got into full swing, with most companies reporting positive growth in net asset values, earnings and dividends. There has been little evidence to support sell-side analyst forecasts of negative capital growth for 2012. We remain confident in our own forecasts for low positive capital growth across the sector, albeit showing wide dispersion between sectors and countries.

The Ordinary share class NAV with income increased by 1.76% in February, giving a total of 6.54% for the

calendar year to date. This compares to 1.53% for the index in the month and 5.56% for the first two months of the year. The outperformance by the Fund reflects our positioning in high quality companies exposed to those sub-markets which we believe will perform best in a low growth environment. Gearing at 10.6% reflects the 11.8% exposure of net assets to physical property (of which 78% is exposed to London assets). Consequently, the exposure to equities is broadly ungeared. Our slightly positive view of certain key underlying real estate markets continues to be tempered by expectations of further volatility in both equity and bond markets.

The Eurozone continues to be the main source of volatility. The second ECB three year Long Term Refinancing Operation injected a further €530 billion of liquidity into the financial system albeit part of this was offset by lower take up in shorter refinancing operations earlier in the month. Whether there is a causal link or not, Italian 10-year bond yields have

fallen to around 5% for the first time since last summer, putting a spring in the step of Eurozone politicians. The performance of Beni Stabili, Italy's only listed REIT has been highly correlated and the stock has recovered 46% from its mid-December low point. The Fund has a long position in this company.

However, at the same time a number of peripheral Eurozone countries including Greece and, more worryingly, Spain continue to miss their deficit targets, pointing to the major structural changes that need to take place within Europe over the long term if further crises are to be averted. The Fund continues to have no direct stock holdings in Spanish real estate companies.

Within the direct property portfolio, we continue to progress lease negotiations at our office building in Harlow with an existing tenant.

## Fund performance to 29.02.2012 (%)

	Current month	YTD	1 year	3 year	5 year		
NAV (capital only)	+1.83	+6.63	-12.49	+38.41	-37.76	NAV per share (capital only)	172.46p
FTSE EPRA/NAREIT Developed European Index (capital only, GBP)	+1.51	+5.30	-13.33	+42.73	-46.49	Share price	152.70p
Share price	+1.06	+10.73	-8.23	+47.18	-37.42	Discount	11.50%
						Yield	4.00%

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	0.9
Belgium	1.4
Central Europe	2.4
Denmark	0.1
Finland	0.3
France	21.1
Germany	9.6
Italy	6.7
Netherlands	2.9
Norway	1.7
Other Overseas	0.6
Portugal	0.2
Spain	2.0
Sweden	8.9
Switzerland	3.4
UK	37.4
USA	0.4
<b>Total</b>	<b>100.0</b>

## Fund performance 28.02.1996 to 29.02.2012



## Top 10 holdings (%)

UNIBAIL-RODAMCO	13.5
LAND SECURITIES GROUP	8.2
HAMMERSON	4.9
BRITISH LAND	4.5
CORIO	4.1
DERWENT LONDON	3.0
PSP SWISS PROPERTY AG	2.7
GSW IMMOBILIEN	2.5
KLEPIERRE	2.5
CASTELLUM	2.2

## 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):** £441.9mn

**Net gearing:** 10.6%

**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

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**Registrar:** Computershare Investor Services plc

## Asset allocation (%)

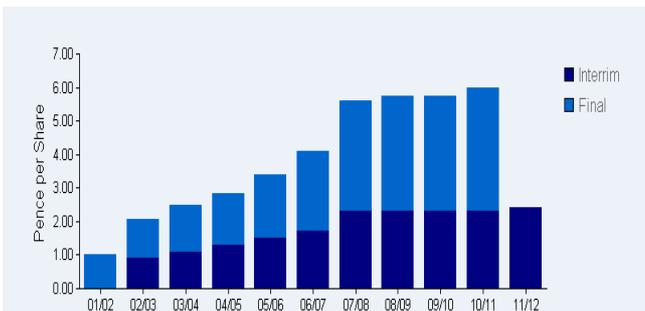
Continental Shares	54.9
UK Shares	34.5
UK Direct Property	10.6
<b>Total</b>	<b>100.0</b>

## Sector allocation (%)

	Fund
Industrial	8.7
Offices	36.8
Other	5.6
Residential	8.9
Retail	40.0
<b>Total</b>	<b>100.0</b>

Figures above shown on a look-through basis.

## Dividend history 28.02.2001 to 29.02.2012



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