

TR Property Investment Trust Ordinary Shares



November 2012

Manager commentary

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Pan-European property shares rose strongly with the benchmark, FTSE EPRA/NAREIT Developed Europe TR Net Index (in GBP) up 5.5%. Financial stocks, including property performed well compared to the broader European equity market. The commitment to unfettered bond buying by the ECB – for those who asked – appears to have calmed those most bearish on the Eurozone. From a macro perspective it appeared that the market spent the month focused on the economic consequences of the alternative US presidential election outcomes.

At the country level, France was the strongest performer +9.7%, powered by Unibail, Europe's largest listed property company which rose 12.1%. It continued to tap the bond market announcing a €500m 5-year bond at a fixed coupon of 1.625%, a record low for the group. Italian property stocks collectively rose 7.5%,

these companies have developed a high correlation with the performance of Italian sovereign debt. Their performance has been dictated by investor sentiment towards the Eurozone generally rather than anything to do with local property markets – hence their strong performance in the period. As if mirroring the 'risk-on' response by the market, Swiss stocks rose just 0.3%. They continue to have 'safe haven' status, particularly amongst domestic investors but to fundamental investors (such as ourselves) they remain expensive. Sweden was notably weak, primarily driven by one stock, Kungsladen which announced the suspension of dividends in the light of further negative tax rulings. The Swedish tax authorities continue to investigate whether tax avoidance techniques used in earlier decades amounted to evasion.

The NAV rose 5.8% delivering 25bps of outperformance. This was fuelled by our overweight to French and Italian stocks and underweight to Switzerland. Our significant overweight to the UK did not help particularly, collectively rising +3.9%. However, within the group we saw strong performance from one London midcap Workspace (+13.7%), as well as our 'alternatives' student housing, Unite (+7.4%) and self storage with Big Yellow (8.9%).

In September, the TRPIT Board announced a proposal to convert Sigma shares into Ordinary shares, to create a larger, more liquid Trust. 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 (14 December). The Circular and proxy forms will be circulated on 22 November.

Fund performance to 31.10.2012 (%)

	Current month	YTD	1 year	3 year	5 year		
NAV (capital only)	+5.87	+20.51	+9.38	+11.22	-13.69	NAV per share (capital only)	194.90p
FTSE EPRA/NAREIT Developed European Index	+5.39	+15.35	+5.64	+6.07	-26.73	Share price	166.80p
Share price	+4.32	+20.96	-1.30	+4.91	-14.02	Discount (capital only)	-14.42%
						Yield	3.96%

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

Standardised performance as at 31.10.2012 (%)

	2009/ 2010	2010/ 2011	2011/ 2012
TR Property Investment Trust Ordinary Shares	9.47%	-7.12%	9.38%
Benchmark	9.29%	-8.13%	5.64%

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

Asset allocation (%)

UK Shares	38.1
UK Direct Property	9.6
Continental Shares	52.3
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): £499.4mn

Net gearing: 7.5%

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.europeanassets.eu

Registrar: Computershare Investor Services plc

Sector allocation (%)

Industrial	8.5
Offices	37.9
Other	5.7
Residential	8.1
Retail	39.8
TOTAL	100.0

Figures above shown on a look-through basis.

Fund performance since inception



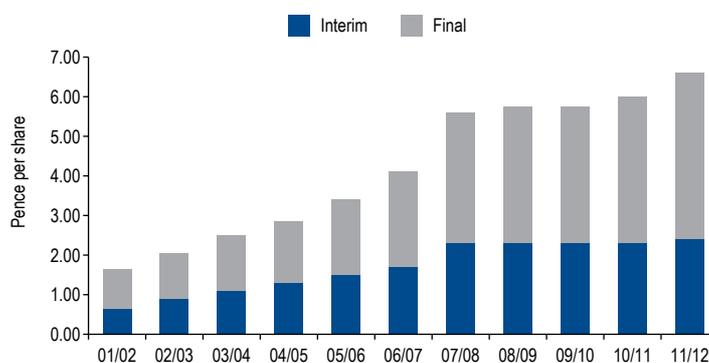
Source: State Street

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	0.9
Belgium	1.1
Central Europe	2.4
Denmark	0.2
Finland	1.0
France	20.6
Germany	7.4
Greece	0.0
Ireland	0.0
Italy	6.3
Netherlands	2.3
Norway	1.7
Other Overseas	0.3
Portugal	0.1
Russia	0.1
Spain	1.9
Sweden	8.5
Switzerland	3.8
UK	41.2
USA	0.2
TOTAL	100.0

Dividend history



Source: State Street

Top holdings (%)

UNIBAIL-RODAMCO	13.9
LAND SECURITIES	9.3
HAMMERSON	5.5
BRITISH LAND	3.9
DERWENT LONDON	3.3
KLEPIERRE	3.2
PSP SWISS PROPERTY	3.0
GREAT PORTLAND ESTATES	2.9
CORIO	2.3
GSW IMMOBILIEN	2.3

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