

Thames River Property Investment Trust Ordinary Shares



October 2012

Manager commentary

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coupled with global markets also rolling off their September 14th highs. The US electioneering is also well underway and concerns around the impact of the 'fiscal cliff' and a political impasse also began to weigh on markets.

At the country level, it was the peripheral nations which outperformed with the Italian property companies up +10.2%. The Fund holds both Beni Stabili and IGD. Norway's single stock, Norwegian Property, also performed well rising +4.5% whilst the remainder of Europe saw modest movement of -1% to +1.7%. Once again it was the macro considerations which drove the market. At the individual company level we saw further evidence of successful capital raising both equity (Capital & Counties) and debt (convertibles from British Land and Capital Shopping Centres). Interestingly smaller companies were also able to tap the retail bond market with Workspace raising £57m and CLS £75m such is the demand for income.

The interim property revaluation produced an uplift of £0.47m at the month end. The six month NAV with income increase was therefore 4.9% and the share class outperformed its benchmark in the first half by 160bps.

On 26th September, the Board of TRPIT

announced a proposal to convert Sigma shares into Ordinary shares. This will create 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 which will be held in December. Any investor requiring more information please contact their TRC sales contact or the Trust's management team directly.

Fund Overview

Whilst pan European property shares fell modestly over the month (-0.2%) it was (in GBP terms) a game of two halves. From the beginning of the month to the mid point (14th) the sector and the broader equity market rose strongly on the back of the ECB's announcement of the offer of unlimited (but conditional) bond buying – the so called Outright Monetary Transactions – to any Eurozone sovereign which requests it. Alongside the improvement in equity markets, EUR also strengthened 2.1% against GBP in those first two weeks as investors took comfort from this commitment by the central bank. However, whilst this strategy is to be welcomed it doesn't solve the core issue of whether debtor nations within the single currency will continue imposing the austerity requirements and whether the creditor nations will accept larger write downs. The second half of the month saw concerns remerge

Fund performance to 28.09.2012 (%)

	Current month	YTD	1 year	3 year	5 year	NAV per share (capital only)	184.10p
NAV (capital only)	+0.05	+13.83	+10.80	+4.40	-20.38	Share price	159.90p
FTSE EPRA/NAREIT Developed European Index	-0.37	+9.45	+6.35	+0.23	-32.22	Discount (capital only)	-13.15%
Share price	0.00	+15.95	-0.68	+1.85	-21.23	Yield	4.13%

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

Standardised performance as at 28.09.2012 (%)

	2009/ 2010	2010/ 2011	2011/ 2012
TR Property Investment Trust Ordinary Shares	4.92%	-10.19%	10.80%
Benchmark	4.86%	-10.12%	6.35%

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

Asset allocation (%)

UK Shares	38.1
UK Direct Property	10.3
Continental Shares	51.6
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): £471.6mn

Net gearing: 7.3%

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

Registrar: Computershare Investor Services plc

Sector allocation (%)

Industrial	8.8
Offices	37.8
Other	5.6
Residential	8.4
Retail	39.4
TOTAL	100.0

Figures above shown on a look-through basis.

Fund performance since inception



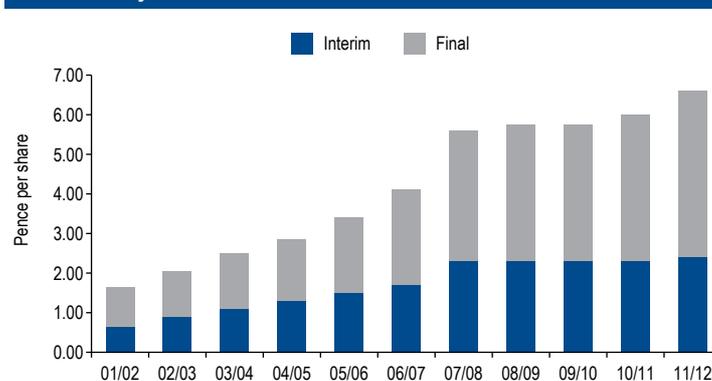
Source: State Street

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	0.8
Belgium	1.1
Central Europe	2.2
Denmark	0.2
Finland	0.9
France	21.2
Germany	7.5
Greece	0.0
Ireland	0.0
Italy	6.7
Netherlands	2.3
Norway	1.8
Other Overseas	0.4
Portugal	0.2
Russia	0.0
Spain	1.9
Sweden	9.0
Switzerland	2.4
UK	41.2
USA	0.2
TOTAL	100.0

Dividend history



Source: State Street

Top holdings (%)

UNIBAIL-RODAMCO	13.0
LAND SECURITIES	9.3
HAMMERSON	5.6
BRITISH LAND	4.1
DERWENT LONDON	3.4
KLEPIERRE	3.2
PSP SWISS PROPERTY	3.1
GREAT PORTLAND ESTATES	3.0
CORIO	2.4
GSW IMMOBILIEN	2.2

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