

**SHINING A LIGHT ON THE.....
TR Property Trust**

AT A GLANCE

Investment Objective	
The Company seeks to achieve its objective by investing in shares and securities of property companies and property related businesses on an international basis, although, with a Pan-European benchmark, the majority of the investments will be located in that geographical area. The Company also invests in investment property located in the UK only.	

Inception Date	5 th May 1905
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000461H

Management	
Manager Name	Start Date
Alban Lhonneur	1 st August 2008
George Gay	1 st August 2008
Marcus Phayre-Mudge	31 st March 2011
Jo Elliott	31 st March 2018

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	0.00%
Large	19.80%
Medium	40.53%
Small	31.83%
Micro	7.84%

Top 10 Holdings		
Total number of holdings	61	
Assets in Top 10 Holdings	53.22%	
Name	Sector	% of Assets
Vonovia SE	Real Estate	10.73%
Ppty	-	6.47%
LEG Immobilien AG	Real Estate	5.89%
Unibail-Rodamco-Westfield	Real Estate	5.64%
Aroundtown SA	Real Estate	4.43%
Gecina Nom	Real Estate	4.34%
Deutsche Wohnen SE	Real Estate	4.04%
UNITE Group PLC	Real Estate	3.92%
Segro PLC	Real Estate	3.89%
Land Securities Group PLC	Real Estate	3.87%

Volatility Measurements	
3-Yr Std Dev (volatility)	20.88%
3-Yr Mean Return (average)	3.60%

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FUND PERFORMANCE

Performance from 1st January 2014 to 31st March 2020:

	2014	2015	2016	2017	2018	2019	2020
TR Property	29.29%	8.75%	0.82%	37.25%	-7.81%	41.42%	-34.80%
IA UK Direct Property	12.20%	7.64%	-2.00%	7.60%	2.86%	-0.78%	-1.60%

Performance over 12 months, 3 years, 5 years and 10 years:

	1 year	3 years	5 years	10 years
TR Property	-16.81%	10.80%	17.20%	166.59%
FTSE UK All Share Index	-2.64%	6.12%	11.30%	51.81%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

This update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This trust is different to a bricks and mortar property fund and is freely traded on the London stock exchange. The recent market downturn has hit the share price of the trust and it is currently trading on a near 10% discount. The trust owns about 8% in direct property in the UK, the balance is in shares of property companies. 60% is in Europe and 32% in the UK.

In Europe they have 46% in Germany/Austria, 19% in France and 13% in Sweden. Areas like logistics, residential and healthcare have worked well for the trust in this downturn. They have minimal exposure to hotels but where they do this is via long leases which has been a negative for the trust. The other area of weakness has been student accommodation which remains challenged until the lockdown is lifted.

The trust has delivered a growing income stream over the last ten years and they would hope to continue this but have seen the likes of Land Securities cancel their dividend payment. They believe moving forward with low interest rates the focus on income will increase and this fund can deliver a rising income moving forward.

In terms of fundamentals the two main areas are yield comparison (providing an income above fixed income yields) and rental growth (in the areas they are investing there is tenant demand and a lack of supply). With the market correction they are seeing cheap valuations, reflecting a weakness in future earnings.

This crisis has highlighted areas where, currently, you want little exposure, which includes retail, hotels, bars and restaurants. In terms of shopping centres 20 years ago, these were castles of value. The big structural shift that was occurring before this has just accelerated and this is a declining part of the market as retailers demand rent cuts and payment holidays.

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In terms of what they are holding directly; they have agreed a new ten-year lease on a property in Bristol with Yodel. They have also got planning permission on a property in Wandsworth to include some residential, light industrial units and logistics. Overall, 78% of rents have been collected, 17% have been deferred and 5% are expected to be written off.

In summary, this is a traded asset and has gone down with the market. The team believe they are less exposed to parts of the market with the greatest pressures and therefore the ability to recover is that much stronger. This is likely to occur once the markets sift through the good and bad!

The source of information in this note has been provided by TR Property and is correct as at April 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.