

TR Property Investment Trust

AGM - Manager's Presentation

20th July 2023

Investment risks

The value of investments and any income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

Investments which are concentrated in a specific sector or country may result in less diversification and hence more volatility in investment values.

The value of directly held property reflects the opinion of valuers and is reviewed periodically. These assets can also be illiquid and significant or persistent redemptions may require the manager to sell properties at a lower market value adversely affecting the value of your investment.

Standardised performance

	Percentage Growth (%)				
	Jun 18 - Jun 19	Jun 19 - Jun 20	Jun 21 - Jun 22	Jun 21 - Jun 22	Jun 22 - Jun 23
TR Property Investment Trust (NAV with Income)	2.9%	-2.4%	23.7%	-16.6%	-19.2%
FTSE EPRA Nareit Developed Europe Capped Index (Net, GBP, Total Return)	-0.9%	-5.9%	18.0%	-21.5%	-19.8%

Past performance should not be seen as an indication of future performance.

Source : Columbia Threadneedle Investments. Data as at 30.06.2023. All fund performance in quoted net of fees.

Agenda

- Results review – year to March 2023
- Drivers of performance in the year
- Positioning
- ESG Update
- Physical portfolio
- Outlook
- Q&A

Performance for the year to March 2023 and financial year to date

Full year to 31 March 2023

31 March 2023 to 19 July 2023

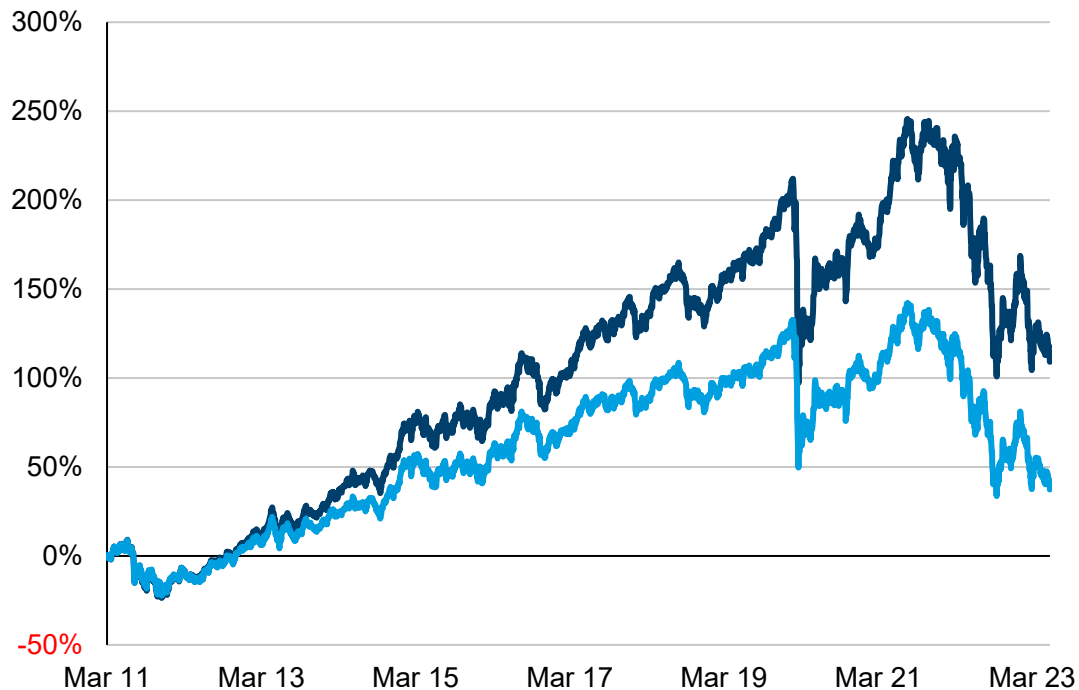


Past performance should not be seen as an indication of future performance.

Source : Columbia Threadneedle Investments as at 19.07.2023

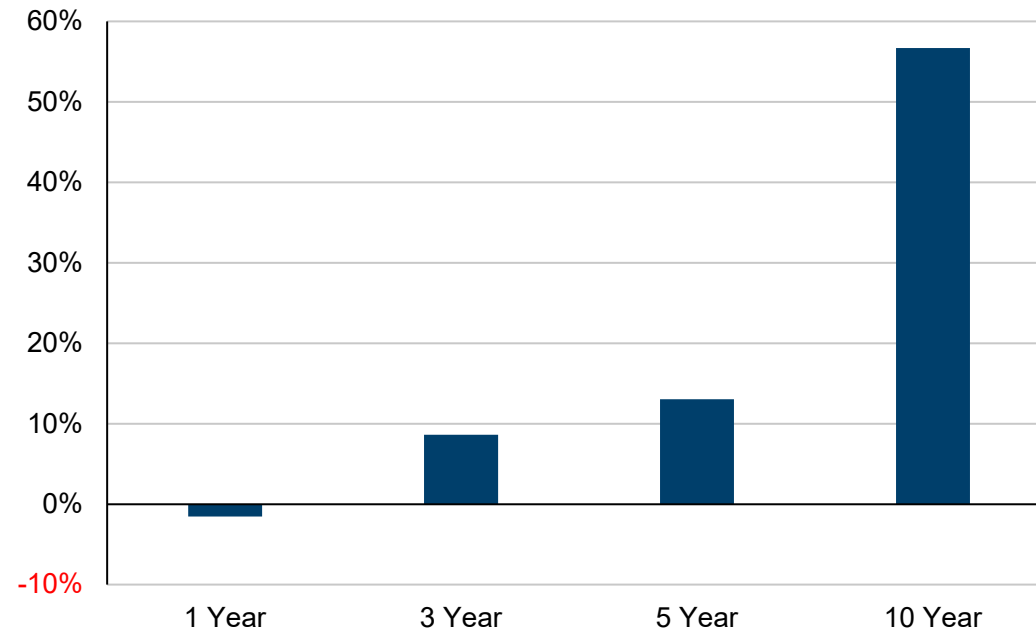
Long term performance to March 2023.....a difficult year

Net Asset Value vs. Benchmark



- TR Property Investment Trust (NAV with Income)
- FTSE EPRA Nareit Developed Europe Capped Index (Net, GBP)

Cumulative Alpha Generation

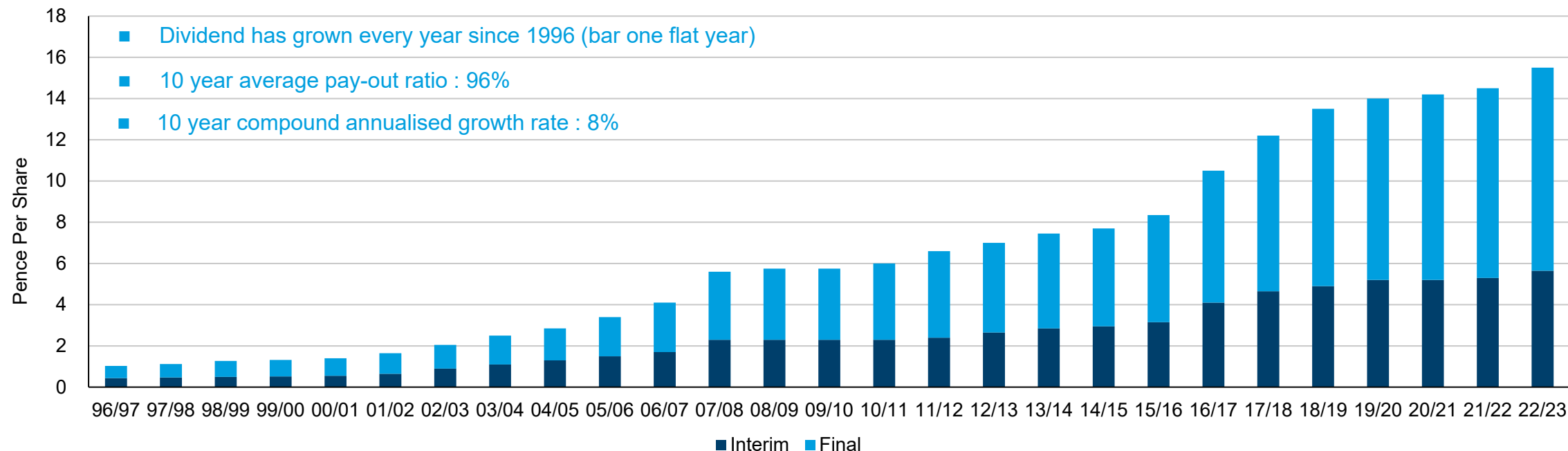


- TR Property Investment Trust (NAV with Income) vs FTSE EPRA Nareit Developed Europe Capped Index (Net, GBP). As at 31.03.2023

Past performance is not a guarantee to future performance.

Benchmark: Prior to 01.04.2013 FTSE EPRA Nareit Developed Europe Index (Net, GBP). Prior to 01.04.2012 FTSE EPRA Nareit Developed Europe Index (GBP). Prior to 01.04.2007 S&P Citigroup European Property Index. Prior to 01.09.2001 FTSE Real Estate index.
 Source : Columbia Threadneedle Investments. Data as at 04.07.2023

Dividend history – FY23 record earnings



■ FY23 DPS : 15.50p* (FY22 DPS : 14.50p)




■ FY23 EPS : 17.22p (FY22 EPS : 13.69p)

*Subject to AGM vote

Past performance should not be seen as an indication of future performance

Source : Columbia Threadneedle Investments. Data as at 04.07.2024

Drivers of return in the year to March 2023

- Dramatic changes in the cost of capital
- Debt cost , debt availability , Bond markets 
- All about the balance sheet
- Yet top line earnings robust in so many of our markets
- Lack of dispersion between our sectors / regions

Best & worst performers in our universe

For the year to 31 March 2023

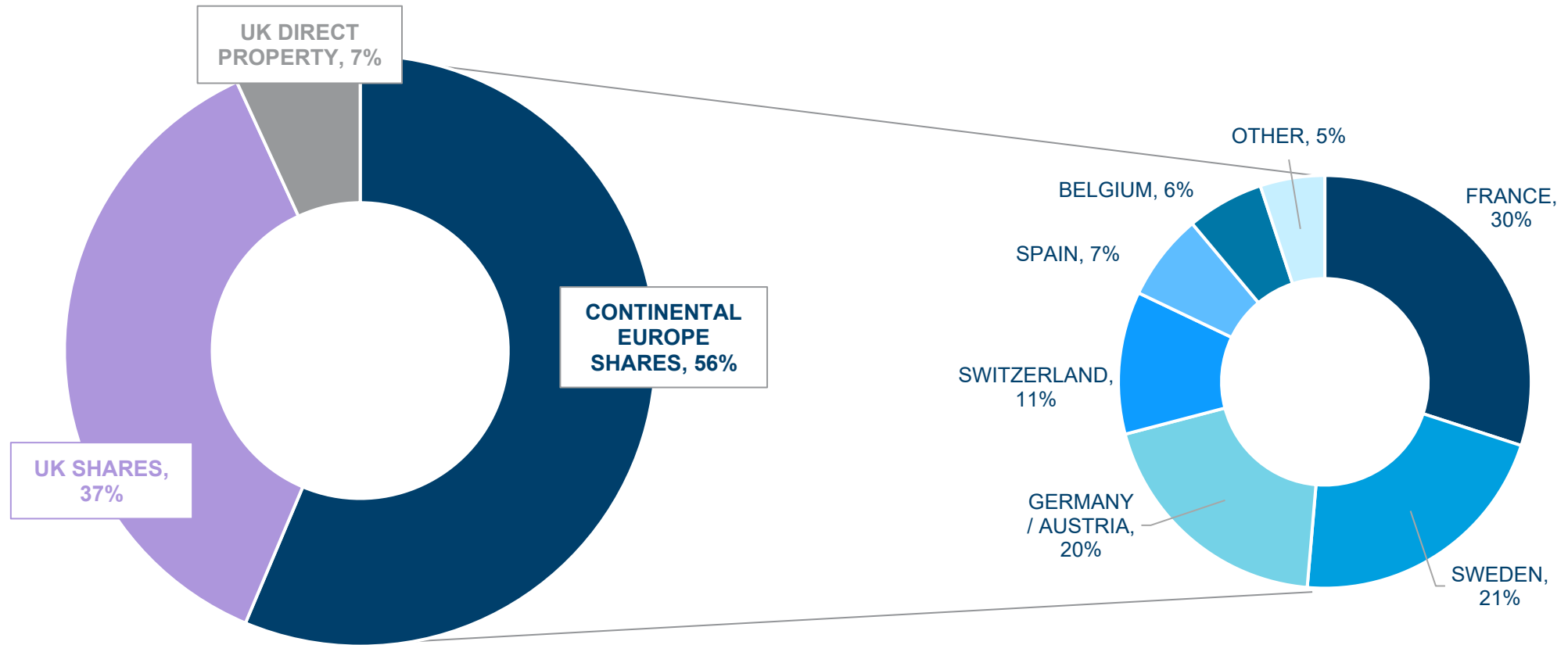


Past performance should not be seen as an indication of future performance.

Companies referenced are those in the FTSE EPRA/Nareit Developed Europe Capped TR Net GBP Index. Performance numbers are total return and converted to GBP.

Source : Columbia Threadneedle Investments. Data as at 05.07.2023. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Portfolio exposure today



Note : Exposure as % of allocated capital

Source : Columbia Threadneedle Investments. Data as at 04.07.2023

Q2 2023 – how has our positioning changed?

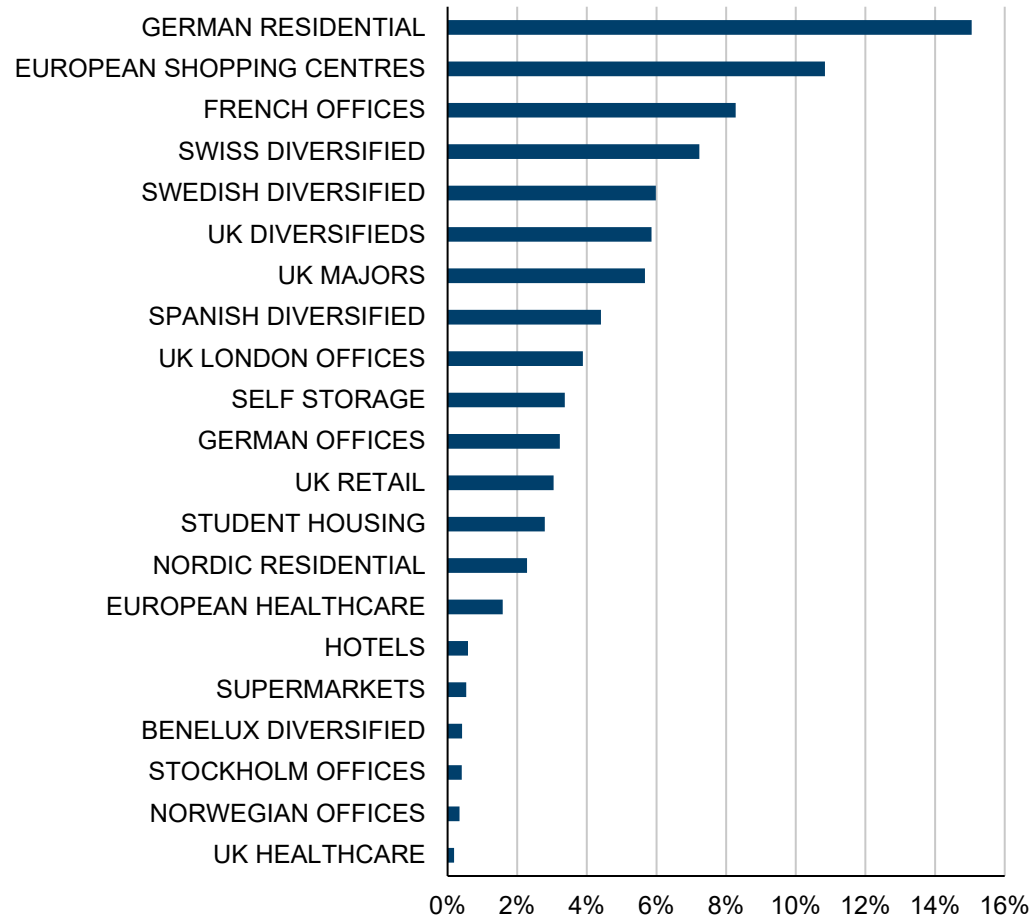


Source : Columbia Threadneedle Investments as at 05.07.2023. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

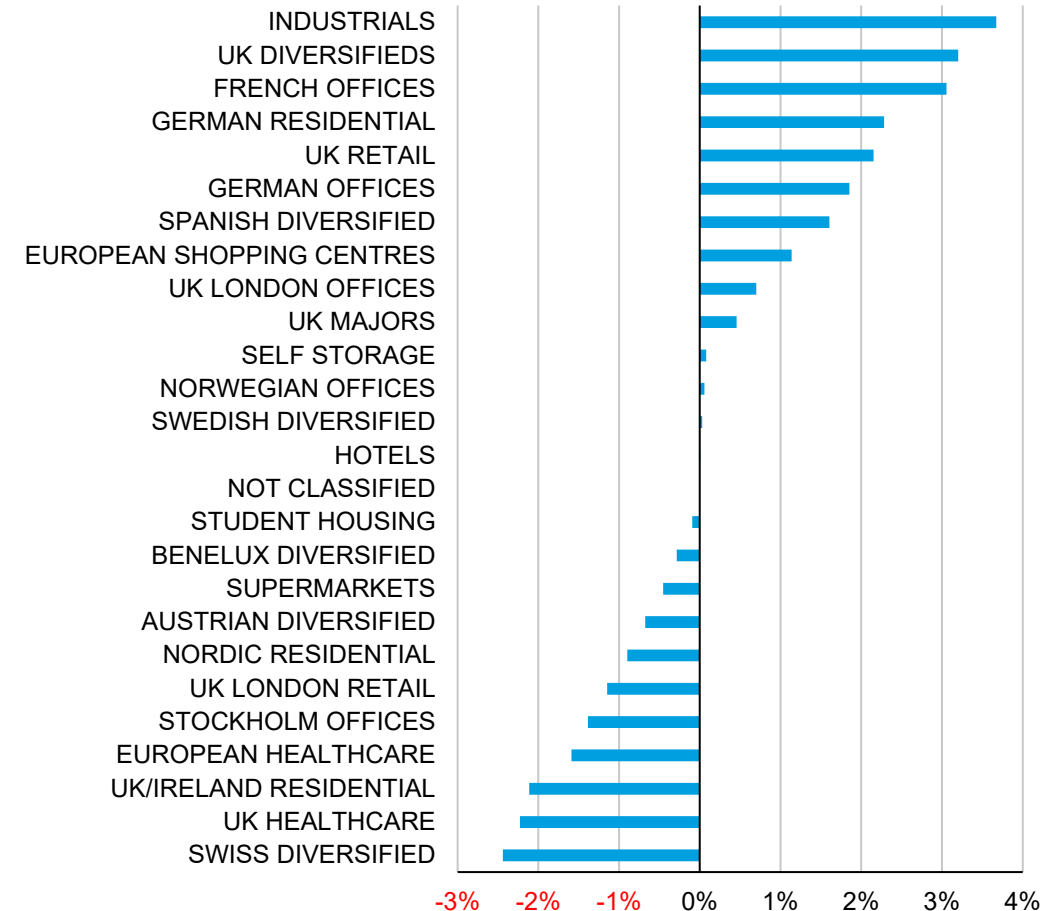
Sector positioning



Absolute



Relative to the benchmark



Source : Columbia Threadneedle Investments. Data as at 04.07.2023

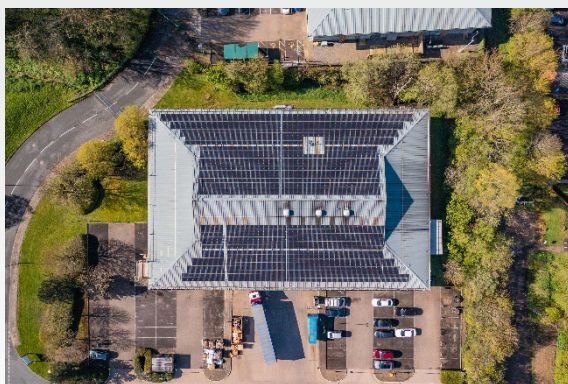
ESG credentials

“We fully intend to keep up and heighten pressure on our investee companies to enhance their standards of governance and we will be increasing our expectations on both the provision of data and on the Social and Environmental outcomes that they deliver.

Any long term support for management will require companies to exhibit positive momentum across relevant measures.”

Extract from the Chairman’s Statement, Annual Report

Gloucester



“Infusion GB are extremely committed to reducing our environmental footprint and the installation of Solar PV at Gloucester was a critical step towards this. The proactive engagement of TRPIT was instrumental to this and enabled us to install a self-generating power source to our buildings. This initiative has been incredibly well received by customers, suppliers and employees alike.”

Bruce Stevens, Commercial Director, Infusion GB

Wandsworth



“Wandsworth Foodbank are extremely grateful to TR Property Investment Trust for enabling our move to Ferrier St. The warehouse provides us with a space to receive, sort and store large amounts of donated food, and dispatch it to our seven Welcome Centres and directly to people’s homes. We are really grateful for this partnership as we support local households through the cost-of-living crisis.”

Dan Frith, Wandsworth Foodbank Manager

New extended Responsible Investment update available in 2023 Annual Report (pages 16-25)

The Colonnades, Bayswater



- Residential sold under a 999 year lease for c.£5m
- Over the last 20 years we had extended the majority of the underlying residential leases
- Simplifies investment as a pure commercial proposition
- 72% of income from Waitrose

Waitrose



GRAHAM AND GREEN

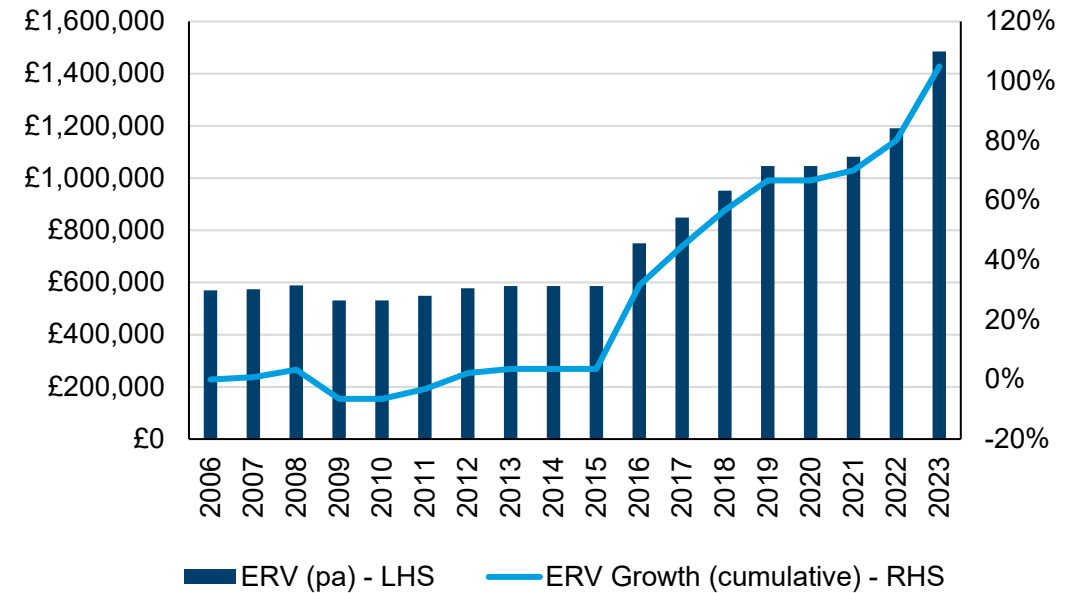
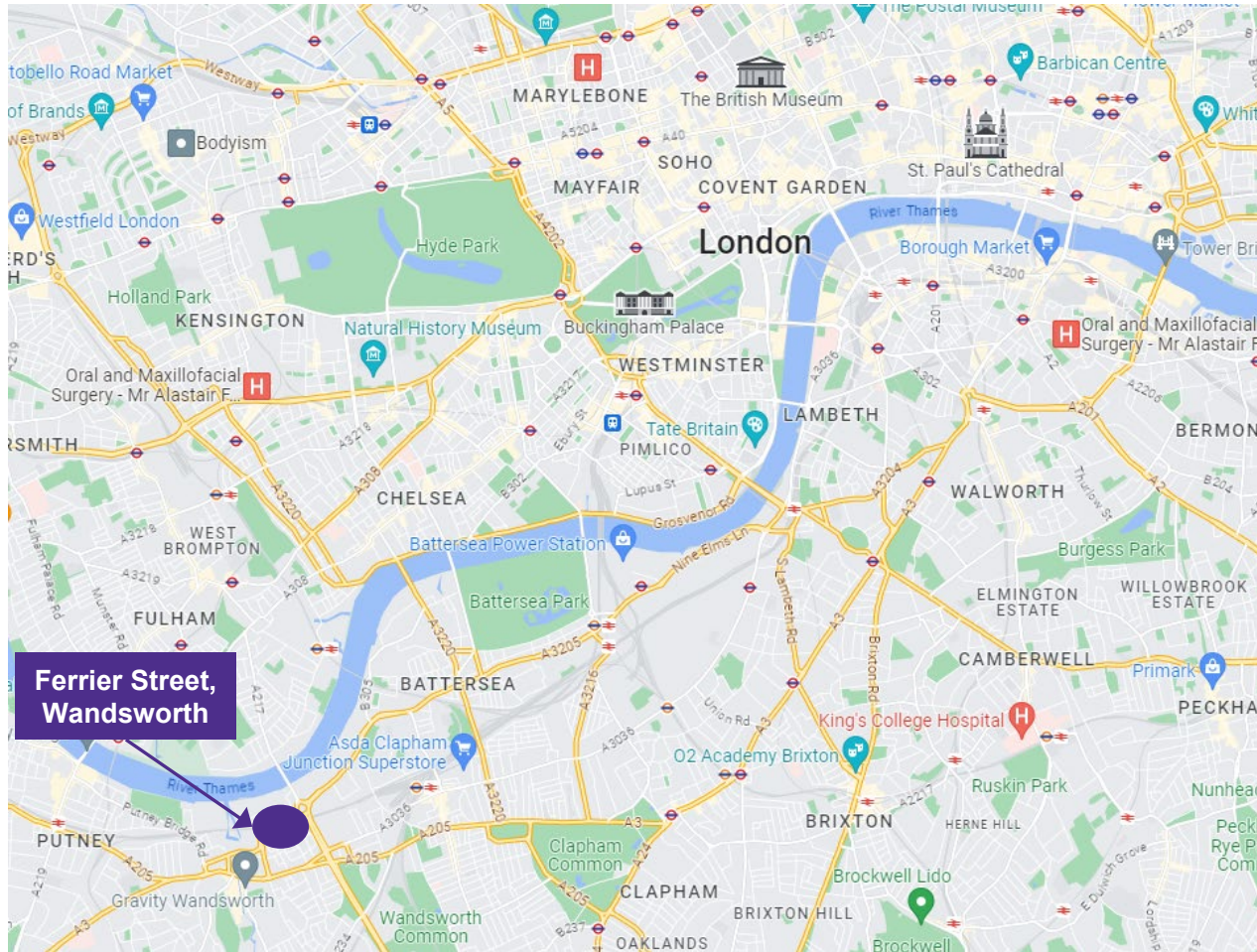


REBEL

Source : Columbia Threadneedle Investments. Data as at 05.07.2023. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Ferrier Street, Wandsworth

Urban industrial rental growth



Source : Columbia Threadneedle Investments. Data as at 11.07.2023. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Pan-European real estate equities – performance 2022/23

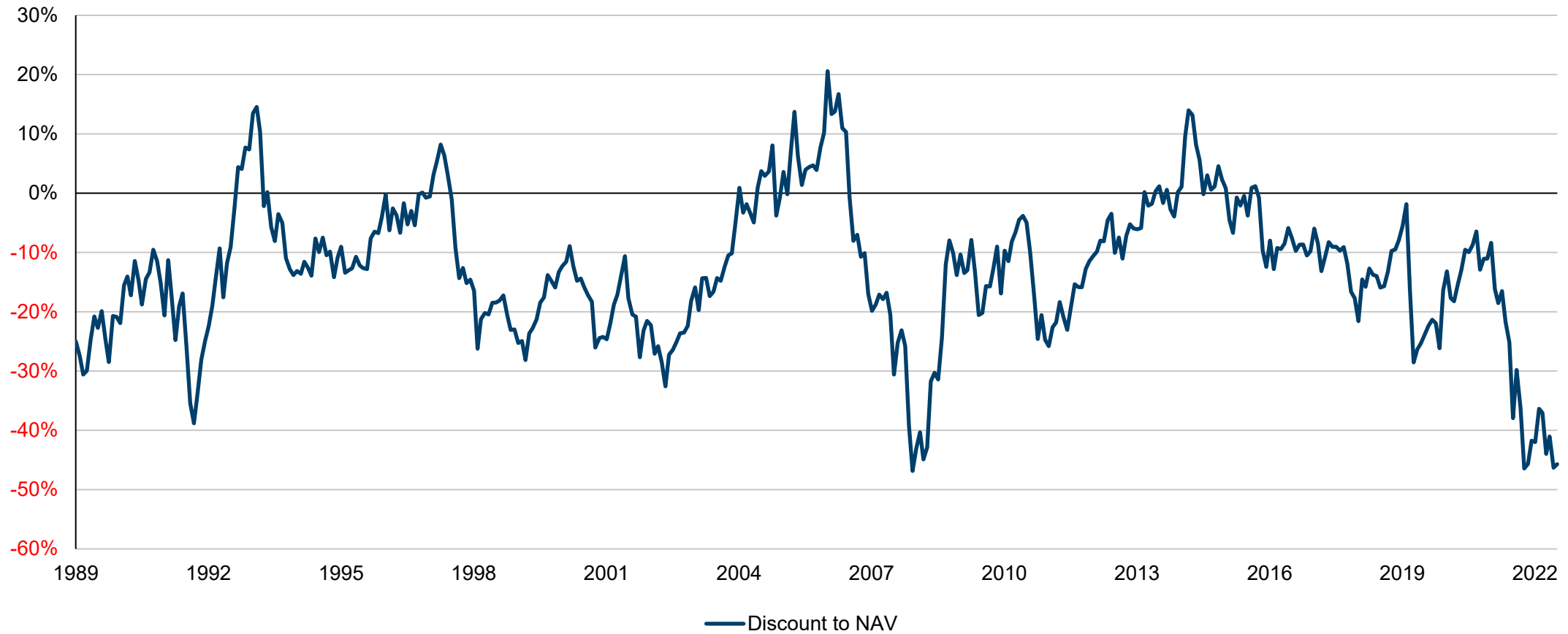
FTSE EPRA Nareit Developed Europe Capped Index



Source : Columbia Threadneedle Investments. Data as at 19.07.2023

Pan-European real estate equities - valuation

FTSE EPRA Nareit Europe - discount to NAV



Source : Columbia Threadneedle Investments. European Public Real Estate Association (EPRA). Data as at 30.06.2023

Mergers & Acquisitions (2021 onwards)

CONSOLIDATION

- **Landsec** buys U+I (Development Securities)
- Workspace buys **McKay Securities**
- LXI merges with **Secure Income REIT**
- CapCo acquires/merges with Shaftesbury
- DIC acquires **VIB Vermögen**
- SBB acquires **Amasten**
- **London Metric** acquires **CT Property Trust**


PUBLIC TO PRIVATE

- St Modwen (Blackstone)
- GCP Student Living (Blackstone/APG)
- **Alstria** (Brookfield)
- **Befimmo** (Brookfield)
- **Hibernia** (Brookfield)
- CA Immo (Starwood)
- **Deutsche Euroshop** (Oaktree, Otto)
- **Industrials REIT** (Blackstone)
- Civitas (CK Asset Holdings)

Source : Columbia Threadneedle Investments. Data as at 30.06.2023

More activity likely.....

- Listed companies need to be bigger for relevance, efficiency and liquidity
- We have engaged with many Boards over several years

■ Recent highlights: 



■ More to come.....

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2023 and onwards



- Point of maximum macro uncertainty
- Significant yield expansion in bond markets
- Reduced liquidity and bank margins widening
- Investor sentiment weak, price correction underway

But.....

- Property shares have reflected much of this news
- Little evidence of weakness at the occupational level in our favoured markets
- No signs of corporate distress
- Good liquidity for conservatively leveraged companies
- Renewed M&A activity

Source: Columbia Threadneedle Investments
 Photo by Pixabay: <https://www.pexels.com/photo/atmosphere-blue-bright-clouds-235865/>

Q&A

Contact us

Columbia Threadneedle Investments.

Exchange House
Primrose Street
London EC2A 2NY
Tel: +44 (0) 20 7628 8000

www.columbiathreadneedle.co.uk

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