

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://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=EOGBR00QXG1210FCGBR\$\$ALL

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

FUND PERFORMANCE

Performance from 1st January 2016 to 30th September 2020:

	2016	2017	2018	2019	2020
Artemis UK Select Fund	0.82%	37.25%	-7.81%	41.42%	-27.43%
FTSE All Share	16.75%	13.10%	-9.47%	19.17%	-19.92%

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

	1 year	3 years	5 years	10 years
Artemis UK Select Fund	-15.59%	4.95%	36.07%	192.54%
FTSE All Share	-16.59%	-9.33%	18.57%	63.90%

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.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
3.12	-	115.19	98.37	63.89	1.06	3.21	Mid/Blend

Volatility Measurements	
3-Yr Std Dev (volatility)	21.37%
3-Yr Mean Return (average)	1.62%

Investment Style Details	
Giant	0.00%
Large	17.62%
Medium	43.60%
Small	29.97%
Micro	8.81%

Top 5 Holdings – 63 Equity Holdings		
Vonovia SE	-	14.39%
LEG Immobilien AG	-	6.60%
Argan	-	4.97%
Gecina Nom	-	4.52%
Segro PLC	-	4.25%

Top 5 Countries	
Germany	35.1%
United Kingdom	32.7%
France	14.4%
Sweden	10.9%
Belgium	5.2%

UPDATE....

These updates have 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 is one of the largest Pan European Property Equity Investment Trusts. It has an excellent long-term track record and, in a time, where bricks and mortar property funds are under pressure with an expected 180 notice period for withdrawals, this does provide investors with an alternative to investing in property. The trust does hold 7% in physical property and has debt of around 16%. It is trading on a discount to the market.

The main difference with this to physical property funds is that it carries significantly more volatility. We compared the investments to the FTSE All Share, and we can see in 2016 and 2020 the Trust underperformed the benchmark, but then significantly outperformed in 2017 and 2019. It has a strong batting average but not all investors would want this level of volatility within their investments.

Although the focus on total return is important, the dividend is an important element of this. They have been able to deliver a growing dividend and have a reserve built up to pay if cash flow slows. In terms of the investments they can see a growing gap between areas like retail and industrials. They look to back the winners and the right sectors with a focus on quality tenants. They have a bigger exposure to continental Europe compared to the UK. In the UK they are overweight healthcare, student accommodation and self-storage. Additionally, although the assets are listed in the UK many of the UK holdings have most holdings in Europe.

In Europe residential, industrials and logistics are the main areas of focus. The fund has done well from logistics, residential and healthcare but student accommodation and hotels have been laggards. The fund has some physical property. One property Wandsworth has just got planning permission for development and they will likely sell in the coming months.

In summary, they see that listed real estate can provide a decent and stable income. In an environment where income is hard to come by, and commercial property is becoming harder to invest in they see significant opportunities for this trust. The fact it is trading at a discount means that there are additional opportunities when markets re-rate. When we look at the high-level data, we can see that investing in this will not be a smooth journey and this may not appeal to every investor. It is also focused on Europe and the UK and investors may want a global strategy to provide greater diversification.

The source of information in this note has been provided by TR and is correct as at October 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.