

# The Glanmore Property Fund Limited

P.O. Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands, GY1 3QL

Tel: +44 (0)1481 745001. Fax: +44(0)1481 745051

Website: [www.glanmore.com](http://www.glanmore.com)

29 August 2008

Dear Shareholders,

## **Proposed amendment to the restriction on borrowings of The Glanmore Property Fund Limited (the "Fund")**

The American "sub prime mortgage" effect continues to have a large and detrimental impact on the lending market both globally and in the UK. The lack of liquidity in the banking sector means that potential purchasers of commercial property in the UK have difficulty borrowing sufficient amounts at economically viable rates of interest resulting in a significant reduction in purchase and sale activity. The limited commercial property market activity appears to be dominated by opportunistic transactions which has resulted in a downward correction in valuations from July 2007 levels. We expect this trend to continue over the next few months.

The Board of Directors believe it is now prudent to adjust the borrowing restrictions of the Fund from 65% of aggregate property valuations to 75% of aggregate property valuations to accommodate further possible reductions in property values in the future as a consequence of external market forces.

The amendment to the Fund's borrowing restriction is not being sought in order to allow an increase in the amount of principal debt relative to the acquisition value of the Company's property which will remain unchanged. It is being sought in order to accommodate the increase in the Company's borrowing ratio which may occur as a direct result of possible reductions in property values in the future.

It is proposed to hold an Extraordinary General Meeting of the Fund to seek approval to an increase in the borrowing restrictions of the Company at 10.00 am (Guernsey time) on 25 September 2008. Should you not be able to attend the meeting in person, please find enclosed a form of proxy which I should be grateful if you would complete and return to the above address before the deadline.

The above proposal is a precautionary measure designed to ensure that the Company will not be in breach of its Articles or of any covenants with its finance providers, both of which may occur naturally should the Fund's independent valuers reduce the value of the Company's property portfolio further. The Board is of the unanimous view that the above proposal is in the best interests of shareholders as a whole and recommend that the shareholders vote in favour of the amendment.

Yours sincerely



**Robert Court**  
Chairman