



The Glanmore Property Fund

Global Investment Solutions
3rd Quarter Newsletter October 2010

The Glanmore Property Fund – Product Information



Key Points

1. In the past quarter the Fund disposed of two properties, raising approximately £4.2m which was greater than the valuation at the time of sale. This takes total sales for the year to circa £24.5m.
2. The proceeds of the sales have been used to further pay down the debt with the loan to value ratio being decreased to 68.1%.
3. Since May 2009, the manager continued to defer a portion of its fee to facilitate the cash flow of the Fund with the remainder being used to pay costs including Administrator, Custodian, Trailer and Valuer fees.
4. Several vacant properties within the portfolio have been let, securing increased income, with further details provided on the next page.
5. Bank constraints continued to have had a direct impact on the Fund's performance, with further details provided on the next page.

Product Information

| | |
|------------------------------|------------------------|
| NAV | £15.344 (A & B Shares) |
| Gross Size of Fund | £730.18m |
| Equity | £233.30m |
| Debt | £496.89m |
| Loan to Value | 68.21% |
| Number of Properties | 60 |
| Latest Independent Valuation | £728.46m |
| Current Portfolio Yield | 7.90% |
| Void Rate | 5.76% |

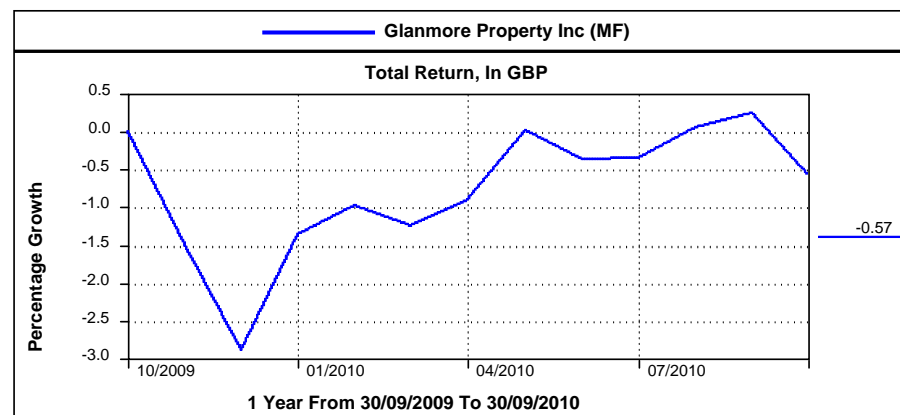
Source: Deutsche PWM Global Real Estate as at 30/09/2010

Performance Statistics

| Total Return | | Discrete Total Return | |
|------------------------|--------------|-----------------------|---------|
| Year to Date | 0.79% | 2009 | -62.96% |
| Last 12 months | -0.57% | 2008 | -45.97% |
| Last 2 years | -70.88% | 2007 | 7.73% |
| Last 3 years | -79.71% | 2006 | 14.73% |
| Last 4 years | -77.77% | 2005 | 13.31% |
| Last 5 years | -74.11% | 2004 | 6.34% |
| Since Launch | -45.31% | 2003 | 8.13% |
| Compound Annual Return | -4.40% | Standard Deviation | 5.72% |

Source: Lipper Hindsight as at 30/09/2010

Fund Performance



Source: Lipper Hindsight as at 30/09/2010

Past performance is not a reliable indication of future results

The Glanmore Property Fund – Quarterly Commentary



Market Report

The first three quarters of 2010 saw continued growth in property values in some sectors, particularly prime City and West End properties, driven mainly by demand from opportunistic overseas investors taking advantage of the weakness of Sterling and high returns then available. This resulted in a total year-on-year return of 22.6% as measured by the Investment Property Databank (IPD) UK Annual Index, of which 14.2% came from capital growth. This compares with a total return of 2.2% for the 2009 year with negative capital growth of -5.6%.

This turnaround has been brought about almost entirely by yield shift whilst rental values generally continued to drift lower underlining the high income returns available currently standing at 7.8%.

Within the three main sectors, office has been the strongest performer year to date in 2010, producing 13.0% followed by retail at 12.3% with industrials bringing up the rear at 9.1%. Tenant demand remains weak with incentives forming a major component of any letting. This situation is likely to continue throughout 2010 and into 2011.

Portfolio Review

Two properties have been sold in the last three months: an office and retail unit in Stevenage sold for above valuation at £2.3m in August and a small office block in Leeds also sold for above valuation, generating proceeds of £1.9m in September. This property was let to HSBC with the lease due to expire this year.

In addition, the Fund is currently at advanced stages of negotiations to dispose of a further two small properties which we shall review on completion.

In July, the Fund concluded five rent reviews and thirteen lease renewals which secured additional aggregate rents of approximately half a million pounds per annum.

In August, the Fund concluded two rent reviews, increasing the rents by 11% on previous passing rents. Two lease renewals were also agreed, one for five years and one for ten years as well as five short term lettings

In September, the Fund completed two rent reviews, five lease renewals/extensions and one new letting securing aggregate rents of £221,000.

Banking Arrangements/Financial Review

Borrowings under the banking facility fell in the last quarter by £5.8m from £502.6m to £496.8 at 30 September 2010 which represented approximately 68.1% of the real property assets of the Fund.

The current loan to value ratio of 68.1%, being RBS 70.5% and Canada Life 60.2%. The Fund has an RBS bank target of less than 65% which it hopes to achieve by December 2011. This will decrease the overall LTV to approximately 63%.

In addition to meeting the targets set, the lending banks were concerned about the possibility of interest rates rising rapidly. As a condition of agreeing the new loan conditions, the lending banks imposed a requirement that the Fund purchase derivatives in order to protect against large interest rate movements, which could make it difficult for the Fund to meet the interest payments.

These derivatives, year to date, caused a negative valuation movement on the net asset value of the Fund in the region of 3.7%. The effect of the difference between LIBOR and the committed fixed interest rate was a further reduction on the NAV of 3.2% due to interest rate forecasts for the immediate future being low. However, this should improve if interest rates increase faster than current forecasts. The cost of the derivatives falls away in its entirety at the end of the loan period, depending on where the market is on that date.

Year to date, the share price has seen an increase of 0.8% and is currently £15.344.

The Fund implemented a 48 month temporary postponement on redemptions in June 2008. Prior to that, all redemptions were also subject to a 6 month notice period as at 28/12/2007, which was subsequently reduced to 1 month in June 2008.

Since 28/12/2007, the Fund paid £11.9m towards the redemption queue on 30/09/09 which cleared all redemption requests placed prior to 01/04/08. To date, the current redemption queue is circa £19m and redemption requests will be paid in chronological order of receipt of instruction.

The next payment towards redemptions is dependent on liquidity in the Fund. The Board of Directors shall continue to monitor this on a frequent basis and make a decision on payments on that basis.

The Glanmore Property Fund – Outlook



Strategic Outlook

1. The Fund is aiming to reduce its loan with Canada Life by £7.5m by the end of 2010 and has already secured £4.2m in property sales so far therefore is on target to achieve this objective.
2. In addition, the Fund also intends to reduce its debt with RBS by £43.1m by April 2011 with the objective of decreasing its leverage through property sales of approximately £75m by year end 2011.
3. Several lease renewals are under negotiation and the Fund expects to finalise a number of these in the next quarter, securing greater income and increasing current lease lengths.
4. Negotiations are currently taking place with potential tenants to occupy vacant units at three of the Funds holdings. Agreement of terms have been met and the target is to agree these leases by the end of the year.
5. The Board of Directors hope to resume the declaration of dividends in the near future.

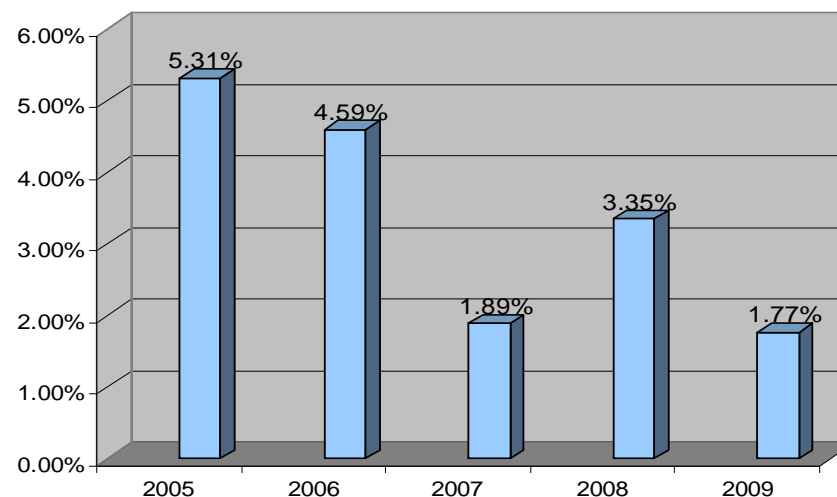
No assurance can be given that the strategic outlook will be achieved

Market Outlook

The Q3 2010 IPF UK Consensus Forecasts show the early optimism for 2010 waning and an increasingly gloomy outlook for 2011. The All Property total return forecast for 2011 has been revised downwards, for the third consecutive quarter. These revisions reflect lower capital value and rental value growth forecasts for all sectors except offices for 2011. The All Property total return is estimated at 13.2% for 2010 and 5.7% for 2011.

The City of London and West End Office subsectors remain the exception to this more downbeat scenario. The recovery of performance across the industrial and retail sectors is expected to be slow. Rental value growth is forecast to remain negative for standard shops and shopping centres for the remainder of 2010 and 2011.

Dividend Yield (historic basis)*



*Based on aggregate of two most recent dividends expressed as a percentage of NAV at the end of period shown

Fund Performance – Month on Month

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|-----|------|-----|-----|------|-----|-----|-----|------|-----|-----|-----|-----|
| 2010 | 0.4 | -0.3 | 0.4 | 0.9 | -0.4 | 0.0 | 0.4 | 0.2 | -0.8 | - | - | - | 0.8 |

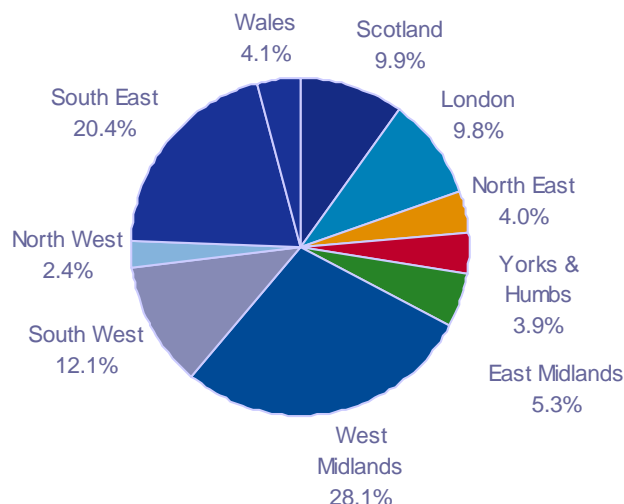
Source: Lipper Hindsight as at 30/09/2010

Past performance is not a reliable indication of future results

The Glanmore Property Fund – Portfolio Information



Geographical Spread (by current value)



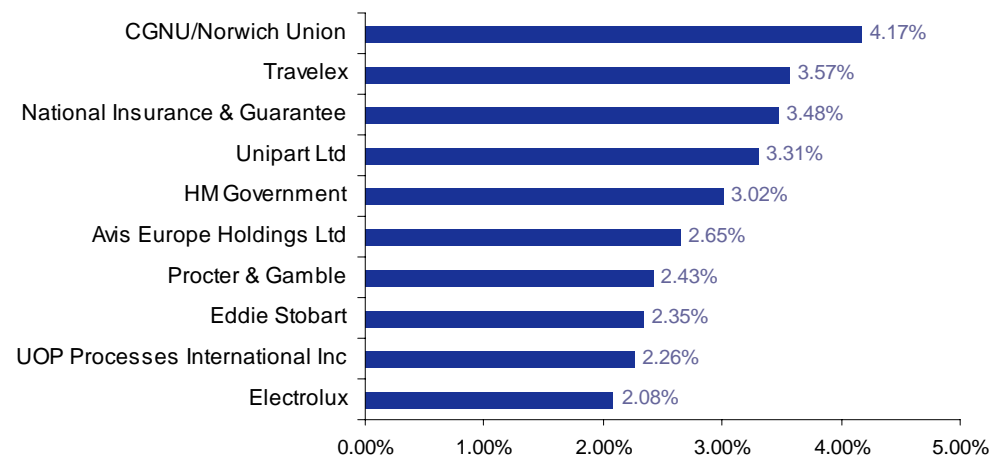
Source: Deutsche PWM Global Real Estate as at 30/09/2010

Portfolio Statistics (by rental value)

| | |
|---|---------|
| Total Estimated Rental Value p.a | £65.58m |
| Current Rental Income p.a | £57.55m |
| Occupancy Rate | 94.24% |
| Void Rate | 5.76% |
| Administration Rate | 5.40% |
| Total Value of Vacant Space p.a | £3.79m |
| Total Lease Length under 2 years unexpired | 8.55% |
| Total Lease Length between 2-5 years unexpired | 41.33% |
| Total Lease Length between 5-10 years unexpired | 27.76% |
| Total Lease Length over 10 years unexpired | 22.36% |

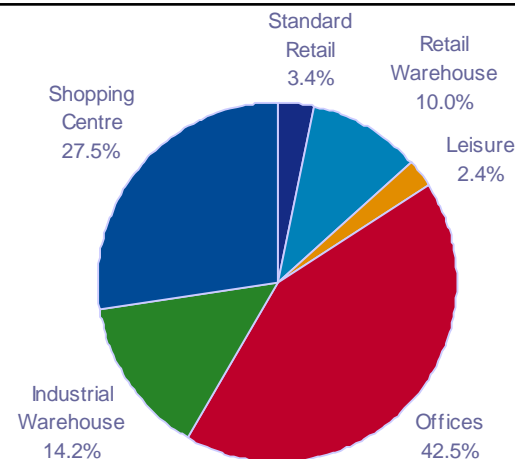
Source: Deutsche PWM Global Real Estate as at 30/09/2010

Top 10 Tenants



Source: Deutsche PWM Global Real Estate as at 30/09/2010

Sector Spread (by current value)



Source: Deutsche PWM Global Real Estate as at 30/09/2010

The Glanmore Property Fund – Additional Information



Fund Information

| | |
|----------------------------|--|
| Fund Manager: | Tilney Asset Management International Limited |
| Property Advisers: | Deutsche PWM Global Real Estate |
| Launch Date: | 17 April 1997 |
| Annual Management Fee: | 1.5% |
| Initial Charge: | 0% |
| Dealing Day: | Every Wednesday |
| Ex-Dividend Dates: | 31 st December & 30 th June |
| Dividend as at 31/12/2009: | £0.27 per share |
| Redemptions: | Restricted since January 2008 and currently postponed for a maximum of 48 months |

Contact Details

| | |
|----------------|-------------------|
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| Website: | www.glanmore.com |

For Deutsche Bank Private Wealth Management clients please contact your Relationship Manager or Account Manager

Additional Information

| | |
|---------------|-------------------------|
| SEDOL Number: | 0041496 |
| ISIN: | GB00041496 |
| Bloomberg: | GLAPPTF GU |
| Listing: | Irish Stock Exchange |
| Eligible for: | SIPP & SASS Investments |

The Glanmore Property Fund – Important Notes



Investment in real estate investments are generally of a higher risk than other investments available for investors. Investors must be able to bear the risks involved and must meet the Fund's suitability requirements. The Fund will utilize substantial leverage and may utilize hedging strategies.

This Fund invests in commercial property in the United Kingdom, and investors without expertise or experience in this asset class should consider carefully with their financial advisor the suitability of this investment for their needs and read and fully understand the prospectus for full details of the proposed investment.

This brochure is a summary only of certain aspects of The Glanmore Property Fund Limited (the "Fund") and is not an offer for sale. Past performance of is not a reliable guide to future performance. This summary should be read in conjunction with the prospectus which contains full information regarding the Fund its terms and conditions and details of additional risk factors and other important information.

The Fund is managed by, and this document is issued by, Tilney Asset Management International Limited ("TAMIL"), which is regulated by the Guernsey Financial Services Commission. TAMIL is an associate of Deutsche Bank Private Wealth Management. Deutsche Bank Private Wealth Management is a trading name of Tilney Investment Management, which is regulated by the Financial Services Authority for the conduct of UK business. The Tilney Group was acquired by Deutsche Bank in December 2006. Deutsche Bank Private Wealth Management covers Deutsche Bank's wealth management activities for high-net-worth clients around the world. Deutsche PWM Global Real Estate is a trading name of Cardales UK Limited which is part of the Deutsche Bank Group.

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Before entering into any transaction you should take steps to ensure that you understand and have assessed with your financial advisor or made an independent assessment of the appropriateness of the transaction in light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider making such independent investigations as you consider necessary or appropriate for such purpose.

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Some or all Real Estate and alternative investment programs may not be suitable for certain investors and no assurance can be given that the Fund's investment objective will be achieved. Among the risks which Tilney Asset Management International Limited wishes to call to the particular attention of prospective investors are the following:

Real Estate investments are generally of a higher risk than other investments available for investors and details of these risks are described in the Risk Factors for Real Estate investments in the Fund prospectus. In relation to other Real Estate Funds, it is believed that the risks in the Fund are of a lower nature. Investors should consult the Fund Prospectus for full information. One of the most significant of such risk includes lack of liquidity, economic conditions and real estate risk (including the effect of bankruptcy). Investors must be able to bear the risks involved and must meet the Fund's suitability requirements. The investments described herein may not be a suitable investment for you and could involve important legal, financial, fiscal and tax consequences and investment risks, which should be discussed with your professional adviser. The Fund will utilize substantial leverage.

Past results of the Glanmore Property Fund are not necessarily indicative of future performance of the Fund, and the Fund's performance may be volatile. An investor could lose all or a substantial amount of his or her investment. Sales of investment holdings are subject to the "Redemption Arrangements" described in the Fund Prospectus and are handled by the Fund Manager. Redemptions may be subject to a charge by the manager where redemptions are made within 12 months of the original acquisition.

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Certain information herein, including market and economic data, has been obtained from sources which we deem to be reliable, however, opinions and estimates may be changed without notice, and involves a number of assumptions which may not prove valid.

Please note that the use of hedging strategies may in certain circumstances because the value of a portfolio to appreciate or depreciate at a greater rate than if such techniques were not used, which in turn could result in significant losses. Derivative instruments may at times be illiquid, subject to wide swings in prices, difficult to value accurately and subject to default by the issuer.

For more information, including a discussion of investment risks, please request an offering document from your Financial Advisor. An investment should only be made after review of the Fund's offering document and following consultation with your Financial Advisor.

This Fund may not be offered or sold directly or indirectly in the United States or to any "US Person".

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