

The Glanmore Property Accumulation Fund Limited

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Dear Shareholder,

The Glanmore Property Accumulation Fund Limited (“the Fund”) – Annual General Meeting Results

Further to our letter of 7th November 2011 in respect of the Annual General Meeting for the Fund, we are pleased to confirm that all resolutions were passed and we thank you for your participation.

Back in June we reported that the underlying Fund, The Glanmore Property Fund (“Glanmore”), into which the Fund invests had met the April 2011 covenant requirement with Royal Bank of Scotland (“RBS”) earlier than required by the banking covenants. This enabled Glanmore to enter into refinancing discussions with its lenders, and to map a strategy for Glanmore beyond the April 2012 date when the current borrowing facility ordinarily ends. This process has continued throughout the summer and autumn, and as part of that process we are now able to announce that the December debt repayment target has also been met. As a result the debt with RBS has been reduced to £300m. At 1 December the LTV of Glanmore was 67.13%, with RBS at 68.65% and with Canada Life at 62.64%.

Refinancing negotiations are still continuing with Glanmore’s existing lenders, and it has also held negotiations with alternative sources, including the insurance market and corporate finance alternatives. The Glanmore Board’s aim at all times has been to ensure stability in its financings, and thus preserve shareholder value. To preserve shareholder value, in the view of the Manager and Board of Glanmore, requires a clear asset management strategy together with allowing sufficient time for Glanmore’s share price to reflect property values once the global economy is more settled and in particular the secondary property market in the UK enjoys more normal conditions. Sadly, as shareholders know only too well, the last few years have seen unprecedented negative conditions in the sub sector in which Glanmore invests which (because of the gearing levels) have affected share prices negatively.

The strategy adopted by the Glanmore Board in June was to avoid sales of properties if possible but tempered by a need to achieve a refinancing of Glanmore’s debt as well as pursuing active asset management. In the latter respect, the current void ratio (6.14% at 30/11/11) when compared with the general market bears testimony to positive micro management. Indeed, this is also mirrored in the success in lettings of units which fell vacant, re-letting of units where leases were expiring and upward revisions of rent when rentals fell due for review. Various examples have been given in the monthly fact sheets and bulletins issued on our website.

The positive news that Glanmore is currently cash flow positive, has met all deadlines this year for reducing the debt and has a clear strategy in the current negative conditions needs to

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be tempered by various factors largely beyond the control of the Board or Manager of Glanmore. The consensus of UK property analysts is that the next 12 to 18 months will be a further testing time for UK secondary property and in addition the UK domestic economy is not necessarily benefiting from a positive outlook. Compounding this, the weakness of the interbank market and a prolongation of banking industry woes (accentuated this autumn by the current Eurozone crisis) means progress in refinancing Glanmore's indebtedness is much slower than expected. Banks' ability to lend is critically affected by increasing capital requirements whilst, although insurers are considering returning into long term lending as a result of the largely beneficial aspects of Solvency II, this is focused on the prime real estate sector. This has produced a very difficult lending environment across Europe. I can report, however, that we continue to have an open and constructive dialogue with both RBS and Canada Life and as soon as possible we hope to provide an update to shareholders in the first quarter of next year.

In the meantime, the Board will continue to ensure that shareholders in each of the Funds are kept up-to-date on a regular basis through monthly fact sheets and bulletin announcements. The next Glanmore quarterly report will be available towards the end of January. The latest material is always available to download from Glanmore's website www.glanmore.com and then by selecting the appropriate Fund.

I can assure you the Board is critically aware of the concerns expressed by shareholders relating to share price performance and an orderly progression to liquidity so that the current postponement of redemptions of shares can be ended as soon as is practicable. All these issues engage the Board fully but we believe the clear resolution of financing, together with proactive asset management, are the keys to achieving these objectives. I can assure you that the Board will explore all possible avenues for such a resolution and use every effort and initiative open to it in order to work for your interests.

Yours sincerely,



Robert Court FRICS ACI Arb
Chairman