GREENMAN AUTO

ANNUAL SHAREHOLDER UPDATE

1st July 2010
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GREENMAN
INVESTMENTS

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AUTO

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CONTENTS

CARGLASS
Autoglas Neueinbau und Reparatur
CARGLASS
CARGLASS

LETTER TO SHAREHOLDERS

Throughout late 2008 and early 2009 we operated in a realm of uncertainty created by the fall of Lehman's and the start of the global economic downturn. During that time property investment, be it direct or indirect, was viewed with an understandable level of caution.

More recently in Ireland, largely due to the collapse in market values, uncertainty about the sustainability of existing rental agreements and a total lack of liquidity, negative sentiment towards property has hardened. Property funds, such a popular investment choice during the latter stages of the boom, are now the most unpopular, both in terms of performance and attractiveness, of all asset classes.

The main problem with almost all boom-time property funds was the existence of high levels of "Gearing" or leverage. Gearing which helped to generate the super-inflated returns achieved by property funds in the mid 1990's was the ticking time bomb for funds created in the mid to late '00's.

It may be true to say that fund promoters and investors were either unaware of or ignored the drastic impact on investor equity which occurs when highly geared funds suffer from decreasing property valuations. Many highly geared funds needed all the income generated to service debt, leaving little or no reserves to meet banking covenants/forced repayments demanded during the crash. It's ironic that if the funds survived the crash their "Gearing" and it's positive consequences which will help them to perform much better than other asset classes when capital values do recover. Never has the old adage "Cash is King" been more accurate.

We now know that with Irish banks supplying unlimited amounts of liquidity money was easy to secure and therefore its "value" was reduced. As soon as finance was unavailable there were no buyers and no liquidity. In Ireland the total value of commercial property transactions in 2009 was c.€100m, while one transaction alone in Berlin was more than three times Ireland's total. For property funds the term "liquidity" should not just refer to the availability of bank finance but most importantly it should also refer to the availability of a large quantity of buyers and sellers with freely available cash reserves. Nowhere in Europe is this more evident than in Germany with its massive investment fund industry.

In mid 2008 when the **Greenman AUTO Fund** was being created there could have been no possible way in which **Greenman Investments**, its directors and advisors could possibly have foreseen what was about to happen. Firstly, the fund was designed to deliver a large proportion of its returns from income therefore eliminating the need to speculate on increasing capital values. Secondly, by locating the fund in Germany, **Greenman Investments** were bound by the traditional and conservative funding models which are prevalent there. Consequently many of the highlighted pitfalls were avoided.

As almost without exception all commercial finance in Germany is non-recourse in nature. Lending banks only care about what the rental income is, who pays it and for how long? Location, condition, style and other features are very secondary considerations. By choosing dominant players in Germany's most robust industry the fund had a bankable proposition from the start.

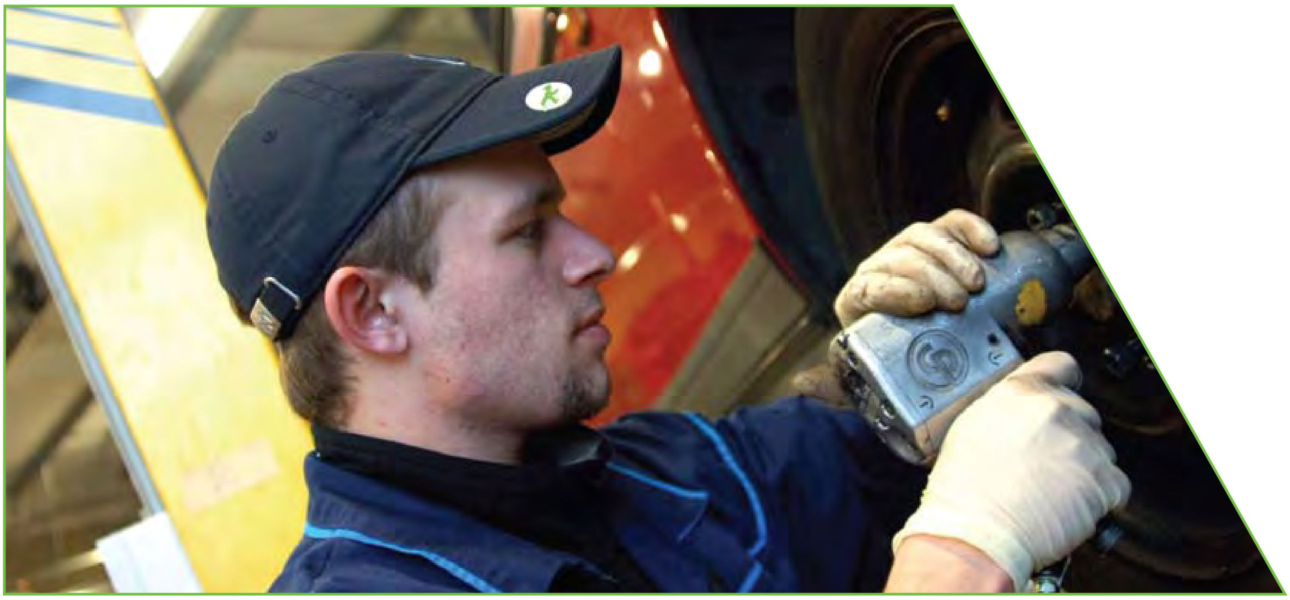
By deciding to adhere to sustainable levels of "Gearing" thus reducing the bank's exposure the fund can borrow at low margins. By combining these low margins with historically low interest rates the fund has mortgaged properties for long term sustainability which can be easily serviced. This ensures the fund can meet its object to generate an annualised investor return of 6.0% from income surpluses.

As shareholders, we thank you for entrusting your funds with us. We are delighted to report the ability of the fund to make a Year One dividend payment. We look forward to the funds second year where by continued fund raising, adding further properties and balancing the positive effects of "Gearing" with income generation and debt service we hope to provide you with a higher return in Year Two.

The Directors of Greenman Investments
Luxembourg, June 2010

GREENMAN AUTO FINANCIAL HIGHLIGHTS

Number of Properties[1]	5
Portfolio Gross Asset Value[2]	€9,597,399
Income Surpluses[3]	€56,997
Dividend / Share[4]	€5.41



Footnotes:

1. Including GMA 005.
2. Based on book purchase value not taking into account market value or price increases.
3. Generated from 1st Jan 2010 until 31st May 2010.
4. Half year 2010 dividend payable to every fully paid up share.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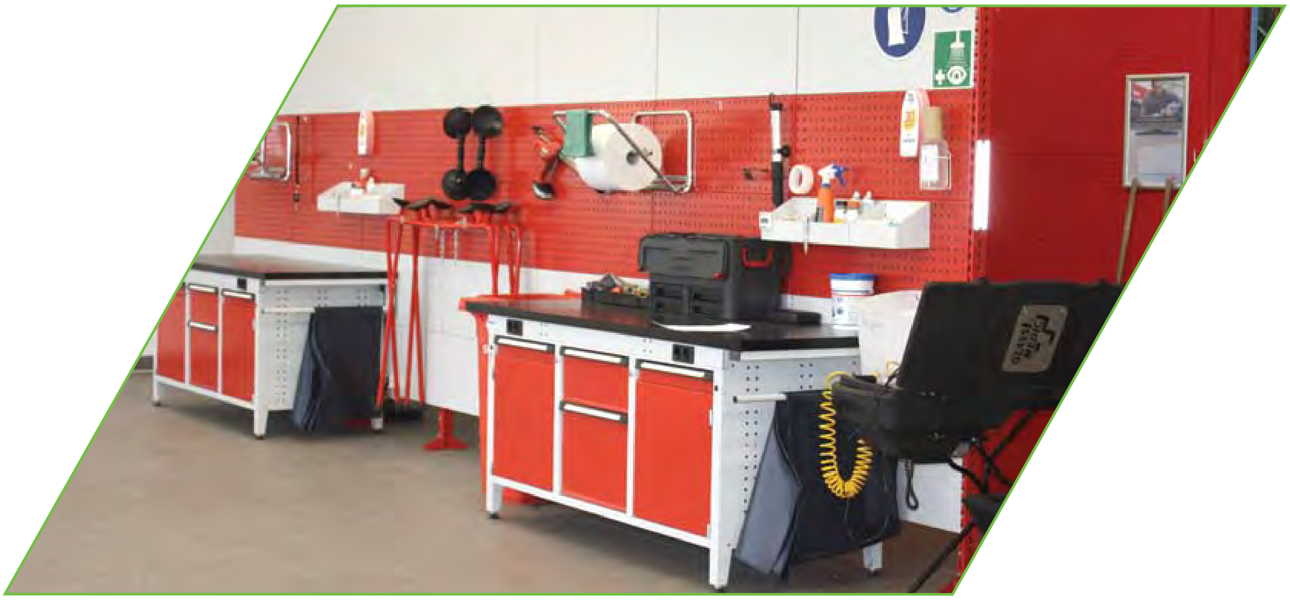

GREENMAN AUTO AT A GLANCE

Fund Information (as per allocated shares at 28th June 2010)

Fund launch date	29th March 2009
First property operational	June 2009
Current number of properties	5 (August 2010)
Let area	7,123 sqm (76,643 sq ft)
Number of car spaces	112
Number of tenants	10
Gross monthly income	c.60,000/mth (August 2010)
Income surplus half year 2010	€56,997
% of shares allocated	29.42%
Annualised investor return (from income surpluses)	6.3% (2010)
Income/share generated (since launch)	€10.40 (5.2%)
H1 2010 dividend (Gross)	5.40
Half year 2010 dividend % ROI	2.7% (annualised 5.4%)

FUND UPDATE

The investment climate throughout Ireland in 2009 remained challenging for both investors and investment managers, however, the directors of the fund were pleasantly surprised with the reception the fund received from launch onwards.

During the period five properties were added to the fund all built under fixed priced construction contracts by the fund's German construction partner **GVG**. The first of these properties, let to Germany's No.1 windscreen replacement company **CarGlass**, was completed in June 2009 and began contributing income to the fund in July 2009.

Since then a further four properties have been added, the last of which GMA 005 in Teltow, Berlin is in the final stages of completion with one of the anchor tenants on the site, **Jet Conoco**, having already opened for business.

The manager acting upon the fund's stated investment policy to, "*create predictable annual rental income surpluses generating a large cash pool for distribution to investors*", has worked to balance the fund's bank repayments and operational costs in order to maximise investor returns.

Fund debt repayments and income generation ratios

Year	Portfolio LTV (%)	DSCR	Income Surplus (%of Gross income)	Investor ROI (Annualised)
Target Year 1 (29th Mar 09 – 28th Mar 10)	74%	1.39	20%	5.8%
Actual Year 1	72%	1.49	23%	6.3%
Target Year 2	67.5%	1.62	31%	7.3%
Target Year 3	65%	1.86	36%	7.7%

With favourable financing and low and sustainable loan to values (LTV's) the fund has beaten forecasted (Year One (March 2009 – March 2010) interest payments. This reduction has positive consequences for the fund's income surpluses which at roughly 23% of the fund's GROSS rental income was ahead of target.

As a result the fund is able to reward investors with a dividend payment. The dividend will be payable based upon the performance of the fund during 2010 and will be paid in September 2010.

Greenman AUTO Fund Income

Year	H2 2009	H1 2010	12mths to 30th June
Income surpluses	€26,033	€56,997	€83,029
No of shares in issue	6770	11769	11769
Income per issued share	€5.00	€5.41	€10.40
Dividend per issued share	€3.01	€5.41	€8.42
Dividend as a % of Investment	1.51%	2.70%	4.21%

Those investors whom have invested via the **Millennium Unit Trust** (MUT) will receive their dividend NET of deductions for MUT's annual management charge and any related costs (SIPP investors).

The board offers all investors the opportunity to "swap" their dividend for extra shares. Should shareholders choose this option they will receive 7 extra shares for every 200 shares they own.

PORTFOLIO, TENANT & LEASE INFORMATION

Carglass

Carglass are Germany's no. 1 windscreen replacement company. Last year Carglass expanded rapidly adding 23 new centres to their existing 260 replacement centres across Germany. Carglass is the continental European subsidiary of Belron, the world's largest vehicle windscreen replacement company. In 2009 Belron's sales grew by 12% to €2.24 billion with profits of €208 million. In Q1 2010 sales grew by a staggering 23%, due partly to the hard winter experienced in Europe.

As part of due diligence, a credit report was carried out by Creditreform, Germany's leading credit agency, which deemed the chance of default by the tenant at a mere 0.44%.

Cosy Wasch

Cosy Wasch are Germany's leading branded carwash company who lead the way in environmentally friendly car wash design. Cosy Wasch operate 23 centres in Berlin.

Cosy Wasch will be one of the anchor tenants at GMA 005 which will become fully operational in August. All leases with Cosy Wasch run for 15 years with no break clauses.

Fressnapf

Fressnapf is a tenant at the funds second site, GM 002. All leases with Fressnapf are signed for 15 years with no break clauses.

Fressnapf is Germany's largest chain of pet food stores, accounting for almost one third of the market. Formed in 1989, it has revolutionised Germany's pet food market, and expanded rapidly to over 1000 stores across Germany today. Financially it has provided double digit growth over the last seven years. In 2009 turnover grew by over 12% producing sales of over €1bn.

Jet Conoco Philips

Jet Conoco Philips filling stations operate 525 branded Jet stores across Germany, along with 125 umbrella sites at large supermarkets. Their parent company operate over 14,300 service stations and 19 refineries spanning 40 countries. This makes Jet the 6th largest energy company in the world.

Jet Conoco have just opened (June 2010) a new petrol station at GMA 005, the fund's 5th property located in Teltow, Berlin.

Other tenants include **Reifen**, **Reifen Helm** (both tyre replacement centres), **Dent Wizard** (a branded car body shop repair centre), **Das Futterhaus** (another pet food supplier) and **Handwerksbäckerei Mack** (a baker of specialty breads for distribution to bars, restaurants, hotels and cafés and their 37 Branded outlets).

Rent Reviews/Increases

As forecast there were no rent increases in 2009. Any rent increases, as with all long term German commercial leases, are linked to the German Consumer Price Index (CPI). For rents to increase the CPI must increase by 10%. Once the CPI has increased by 10% the fund can increase rents by a % of that increase (typically 65% - 100% of the increase).

The manager, on behalf of the board, closely monitors the CPI index and how it will impact upon the fund's opportunity to increase income.

CPI analysis (Jan 1991 to Dec 2009)

Total increase in CPI	75 pts to 108 pts – 44%
Average annual % increase	2.44%
No yrs to trigger CPI rent increases	4.3 years (adjusted)
CPI increase (2009)	1.75%
Date of first rent increases (based upon 18yrs average)	Late 2013
Date of first rent increases (based upon 2009 CPI Growth)	Late 2015

The manager's analysis indicates that the earliest opportunity to increase rents will be in late 2013. However, as the CPI index only rose by a much smaller amount in 2009 it is now more accurate to forecast no rent increases until late 2015. The fund's investment model was constructed without any rent increase and therefore any rent increase, albeit in 2013 or 2015, will make an additional bonus.

MANAGERS REPORT - VIEW FROM BERLIN

As Berlin emerged from under layers of ice and snow this spring, much more than just the streets and sidewalks cleared up. Germany, Europe's largest and most robust economy, has firmly turned the corner from economic uncertainty and appears to, at least for the moment, be on a path towards sustained growth and rehabilitation.

With news of budgetary chaos abroad swirling in the German media and acronyms like PIGS being used to describe the nations Germany effectively married economically a decade ago, it can be hard to see the bright side of current economic conditions. A bad apple can spoil the lot – and five or six bad apples can bring a continent to its knees.

Germany, however, has remained an oasis of collected and Teutonic resilience. Budget deficits are enviably low and economic growth will top 2.3% in 2010 according to the latest government forecasts. On the ground, German cities are buzzing with world cup fever while unemployment has fallen for 12 consecutive months, bringing the overall rate to below 7.7%.

The German property market, – having never boomed during the run-up to the financial crisis, hasn't imploded. While overall trends in Germany are largely at the mercy of its stagnant population, inner cities, notably Hamburg, Munich, Frankfurt and Berlin are quite alive. Visitors to Berlin note almost immediately the large and bustling construction sites in the city centre. Vibrant shopping and apartment complexes are opening off the main S-Bahn line (elevated railway) and entire neighborhoods are quickly appreciating and climbing the ladder of desirability.

Rents in the trendy central districts of the former East are surging and neighborhoods once scarred with war damage are quickly becoming bohemian hotspots. With economic uncertainty in the rest of Europe an ever-present reality most other major Eurozone economies are still struggling to attain the stability which makes Germany a logical investment choice.

Germany's largest cities all placed within the top ten recommended investment locations in Europe for 2010 and offer considerable value when compared to the still expensive and more importantly uncertain real estate markets in many of its European colleagues. So while macroeconomic indicators are the core of any economic reality, we have welcomed the summer here in Germany with nothing but optimism and clear skies.

RealReturns
Berlin, Germany, June 2010

RealReturns

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