

29th May 2010

**Important Announcement to Investors
from the
Directors of The London Bluechip Fund**

As 2010 has advanced, it has become clear that the Fund is now too small to continue an independent existence. Efforts to recoup heavy losses resulting from the write off of our property loans have been unsuccessful, largely because a reluctance to take on further risks in current volatile markets has made our trading over-defensive. With the net asset value now less than £4m, the Fund is unable to support an adequate infrastructure and the Directors have decided that the time has come to wind it up.

In present circumstances, there is no longer any point in maintaining the division of investors' holdings into Redeemable Participating Shares and "A" Shares. The Directors have therefore decided that, prior to the winding up, the (non-redeemable) "A" Shares should be converted back into Redeemable Participating Shares ("P Shares"), reversing the split in your shareholding into two different classes of shares that took place on 5th December 2008.

This conversion is being carried out by the Administrator, from whom you will shortly receive a statement showing that your holding of "A" Shares has been converted into P Shares equivalent to 50.131314% of your existing holding of shares of this class. This is the precise reciprocal of the 33.391644% by which your then holding of P Shares was reduced on 5th December 2008. While this change will dilute the value of each P Share, it will make no difference to the value of your investment in the Fund and will enable you to redeem your entire interest in the Fund in one simple operation at a realistic valuation per share vis-à-vis your original cost. The current estimated NAV of the P Shares is £1,676.62 in their present form and £1,116.77 following the reversal of the share split described above.

We strongly recommend all investors to apply for the redemption of their holdings at the next Valuation Day, 30th June 2010, the date on which we shall ask for the cancellation of the quotation on the Cayman Stock Exchange, and the Fund will cease to function. To facilitate the redemption of your shares, a Redemption Request Form is attached which can be signed, faxed (if possible) and posted, along with your acceptance of the Directors' proposals in this Announcement (using the form on the reverse), to the Administrator, the Fort Group, on [+44] (0) 1481 71 2244. These documents are enclosed in duplicate to provide copies for your records.

The Administrator is required to carry out due diligence on the identity of each shareholder before paying out the proceeds of any share redemption. You will therefore be requested to provide a certified copy of your passport (picture page) and proof of address if the Administrator does not already hold these documents.

The Directors would like to take this opportunity to thank all investors for their support. Those loyal subscribers who have stayed with the Fund since inception in November 1997 are still showing a profit of 12% as compared with a decline over the period of 13% in the FTSE 100, our benchmark. It is regrettable that the small size of the Fund has deprived us of the opportunity to recover all the setbacks from the record high of £2,196.48 during the last eighteen months of exceptional market volatility.

Hugh C Hart
Chairman

John A Collins
Director

Douglas G Calder
Director

Please complete the Acceptance Form overleaf /...

THE LONDON BLUECHIP FUND

FORM of ACCEPTANCE of Conversion of "A" Shares into Participating Shares

I/We accept the terms of the proposed reversal of the conversion of part of my/our investment in the Redeemable Participating Shares of The London Bluechip Fund into "A" Shares that took place on 5th December 2008, as described on the reverse. Under the said terms, my/our holding of "A" Shares will be converted into Redeemable Participating Shares equivalent to 50.13134% of my/our holding of Redeemable Participating Shares immediately prior to this Conversion.

SIGNATURE(S) OF SHAREHOLDER(S):-

ALL JOINT HOLDERS MUST SIGN

	Name	Signature	Date
1.			
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2.			
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A Corporation should affix its common seal or execute under the hand of a duly authorised signatory, who should state his capacity.

On completion, this form should be faxed and mailed to:-

*The London Bluechip Fund and Fort Wealth Management Limited, Island House, Grande Rue,
St Martins, Guernsey, GY4 6RU, Channel Islands;
Telephone +44 (0) 1481 234 460; Facsimile +44 (0) 1481 234 470.*