

Manager Commentary

Spearpoint Limited ('Spearpoint') took over the Investment Management of the formerly Arch Financial Partners LLP managed funds on 1st December 2009 inheriting the assets as shown. Spearpoint played no part in the management of the assets prior to this date. Nor did Spearpoint play any part in the valuation of the portfolio or the calculation of the Net Asset Value. We will be providing further information through factsheets every two months.

Fund Objectives

Current Objective: The investment objective of Arch Global Forestry Fund IC Ltd ('the Fund') is to provide Shareholders with capital appreciation over the medium to long term through economic exposure to a diverse range of timber and forestry related investments on a global basis selected by the Investment Manager. The Fund is designed to profit from the expected long term appreciation of these assets and also to capture any potential premium associated with the climate change theme.

Proposed Objective: The directors have written to all shareholders following consultation with the larger shareholders and will be proposing at the EGM to be held on the 28th January 2010 that the investment policy be restated as follows: "The Investment Manager will manage the Fund's portfolio with a view to realising its assets within the shortest period of time consistent with achieving a reasonable realisation price for such assets and with the intention of disposing of all such assets within 5 years. Realisations will be managed, as far as possible, with a view to ensuring regular and consistent distributions of proceeds to Shareholders."

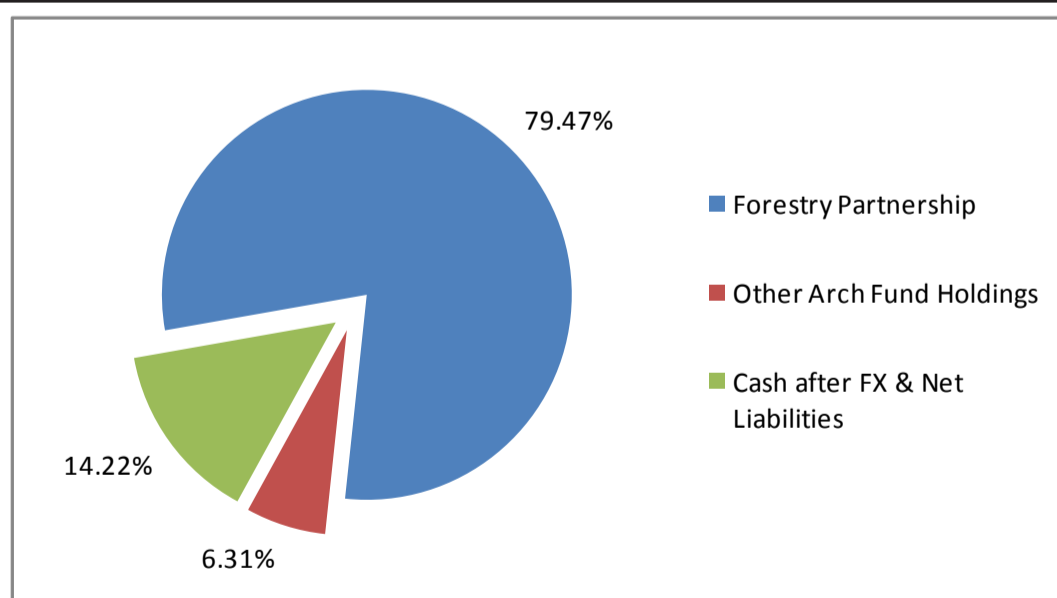
Holdings (as at 30 September 2009)

Investment	Currency of Investment	Amount Invested (in Currency of Investment)	Amount Returned (in Currency of Investment)	Current Value of Remaining Holding (in Currency of Investment)	Current Value of Remaining Holding (in GBP)	Description of Investment
Aitchesse LLP	GBP	4,750,000	0	4,750,000	4,750,000	Investment in a forestry owning partnership aiming to build capital growth through active forest management and the reinvestment of capital from timber harvesting. The partnership owns forests in Scotland, Northern England & Wales and is in the process of expanding in to Eastern Europe once the sale of one of the UK assets for windfarm use (whilst maintaining logging rights) was completed. This sale has now concluded and will mean an uplift in NAV is now to follow.
Holdings in Other Arch Funds						
Arch Private Finance IC Ltd	GBP	2,000,000	1,541,600	375,559	375,559	Equity in Arch Private Finance IC Ltd marked at the latest available NAV. Exit to be sought as part of a wider unwind of the Intra-Arch fund holdings.
Arch Finance Opportunities IC Ltd	GBP	600,000	585,250	1,296	1,296	Equity in Arch Finance Opportunities IC Ltd marked at the latest available NAV. Exit to be sought as part of a wider unwind of the Intra-Arch fund holdings.
Other						
Cash	GBP				832,377	
FX Hedge MtM	GBP				0	
Other Net Liabilities	GBP				17,593	
Total					5,976,825	

Performance (since December 2008)

	Dec-08	Mar-09	Jun-09	Sep-09
NAV per Share	1.0417	1.0085	1.003	0.9798
% Change		(3.2%)	(0.5%)	(2.3%)

N.B. - The NAV for this fund is calculated on a quarterly basis, therefore all data is as at the last quarterly valuation on 30th September 2009.

Investment Allocation**Additional Information**

- The Fund is listed on the Channel Islands Stock Exchange (CISX) and official announcements relating to the Fund can be found on the exchange's website (www.cisx.com) under the 'CISX Market News' section.
- The financial year-end for the Fund is 31st March and the audited Report and Financial Statements can also be found on the CISX website.
- The Annual Management Charge for the Fund has been reduced from 2% to 1.5% as of 1st December 2009.
- The Performance Fee for the Fund remains 20% of performance above the Cumulative Hurdle Rate of 7%.
- The High Water Mark for the Fund will be reset as the higher of: i) The December end-of-month NAV, ii) The arithmetic average of the end-of-month NAV's, for the 4 data points of March, June, September and December 2009. This will be published once it has been agreed by the board.

Disclaimer

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