

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 Parallel Private Equity IC Ltd ('the Fund') is to provide Shareholders over the medium term with capital appreciation through an economic exposure to a diverse range of investments in private equity initially made through an investment in Parallel Ventures Limited Partnership.

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
Parallel Private Equity 2007	GBP	29,500,000	0	24,122,993	24,122,993	Private Equity fund (2007 pool) with a portfolio of later stage investments (MBOs, MBIs & development finance) in UK & European mid-market companies. The underlying PE managers are UK and European based and the 8-10 used provide diversification within the portfolio. There should be no follow-on Investor funding required for this pool, with the average time to realisation of each investment being approximately 4-5 years.
Parallel Private Equity 2008	GBP	7,149,949	0	6,386,442	6,386,442	Private Equity fund (2008 pool) with a portfolio of later stage investments (MBOs, MBIs & development finance) in UK & European mid-market companies. The underlying PE managers are UK and European based and the 8-10 used provide diversification within the portfolio. It is anticipated there will be a requirement of around 10% of the amount invested in the pool to date in follow-on investor funding required for this pool, with the average time to realisation of each investment being approximately 4-5 years.

Holdings in Other Arch Funds

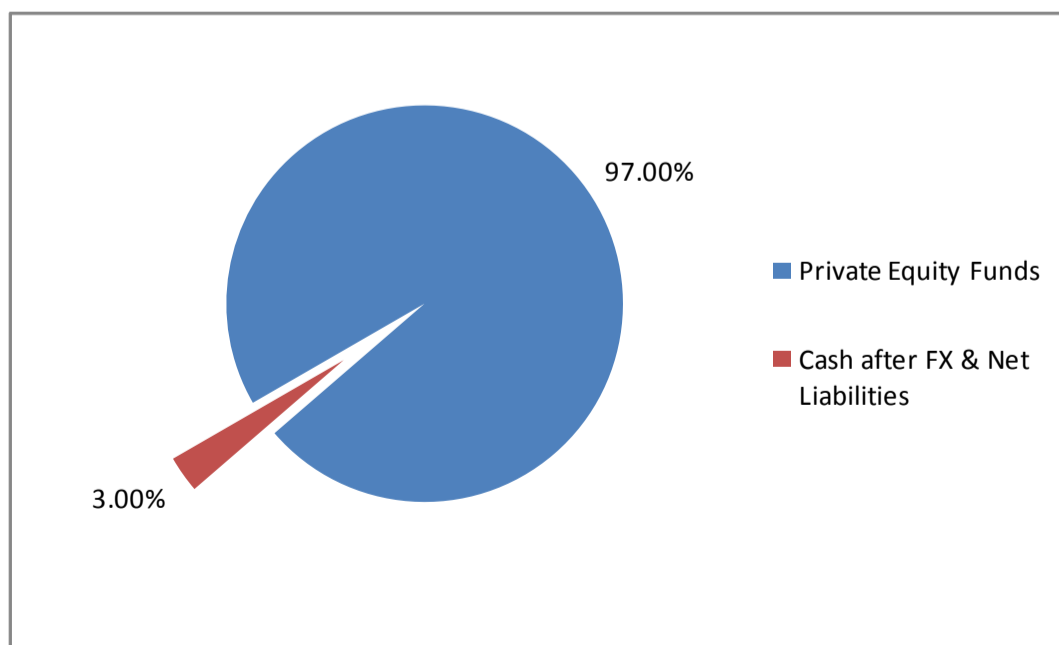
Arch Treasury IC Ltd	GBP	85,136	0	0	0	Equity in Arch Treasury IC Ltd, marked at zero due to the low value of underlying investments held making any recovery unlikely.
Other						
Cash	GBP				887,794	
FX Hedge MtM	GBP				0	
Other Net Liabilities	GBP				54,776	
Total					31,452,004	

N.B. - The Fund has two currency classes, the investments above are an aggregation of both classes.

Performance (since December 2008)

	Dec-08	Mar-09	Jun-09	Sep-09
NAV per Share (£ Class)	1.0187	0.9219	0.884	0.8193
% Change		(9.5%)	(4.1%)	(7.3%)
NAV per Share (\$ Class)	0.9918	0.8981	0.8213	0.7719
% Change		(9.4%)	(8.6%)	(6.0%)

N.B. - The NAV for the 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 remains at 1%.
- There is no Performance Fee for the Fund.

Disclaimer

This document is for information purposes only and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions. This document has no regard for the specific investment objectives, financial situation or needs of any specific entity and contains only brief information on the Fund. This document is issued by Spearpoint Limited which is licensed and regulated by the Guernsey Financial Services Commission and the Jersey Financial Services Commission Registered Office; 2nd Floor, Yorkshire House, Le Truchot, St Peter Port, Guernsey, GY1 1WD. Company registration 47575.