

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 cru 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	13,500,000	0	11,040,216	11,040,216	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	12,288,989	0	10,976,711	10,976,711	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 cru Private Finance IC Ltd	GBP	2,494,732	2,434,708	19,872	19,872	Equity in Arch cru 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 Treasury IC Ltd	GBP	360,167	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

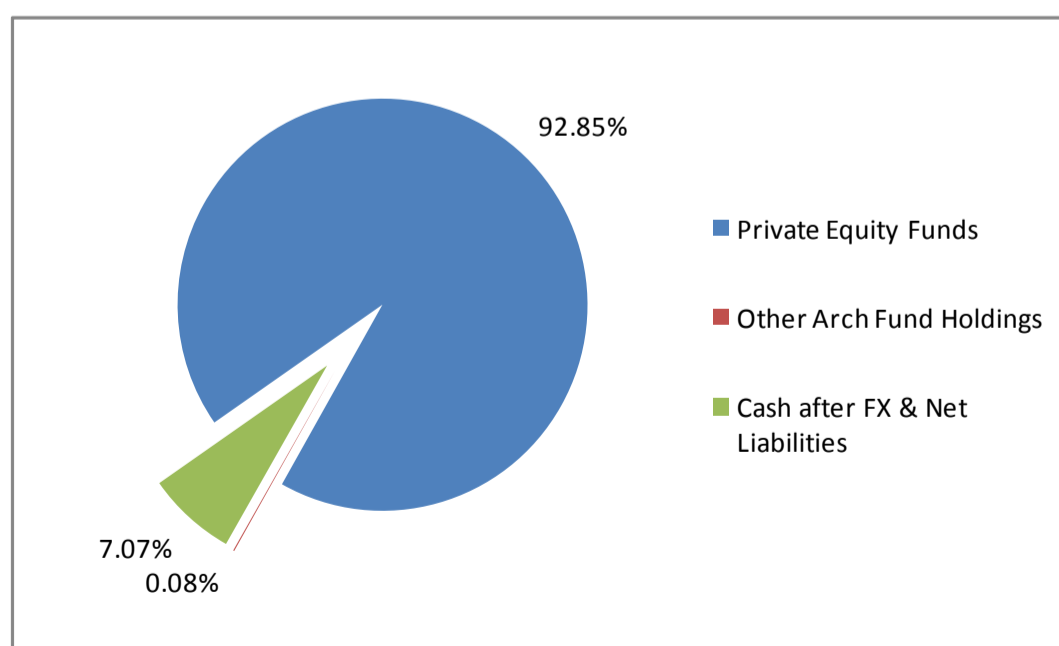
Cash	GBP				1,636,204
FX Hedge MtM	GBP				0
Other Net Liabilities	GBP				39,461
Total					23,712,464

Performance (since December 2008)

	Dec-08	Mar-09	Jun-09	Sep-09
NAV per Share	1.0244	0.8981	0.8641	0.8563
% Change		(12.3%)	(3.8%)	(0.9%)

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 1.25%.
- There is no Performance Fee for the Fund.

Disclaimer

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