

Manager Commentary

The most notable activity in the period covered by this factsheet was the buybacks undertaken by the Fund, which saw over 14.5% of net assets returned to investors. With regard to Shipping Deal 1, the final drawdowns to cover vessel conversion costs were made by the borrower, meaning an end to the negative impact on performance of these cash calls. The costs of the drawdowns in this period were in fact, more than offset by the increase in the valuation of the underlying fleet leading to an increase in NAV. There was one noticeable hedge fund distribution from Natsource received by the Fund while Climate Change Capital drew down further on the outstanding commitment the Fund has. We continue to look for exits from the private assets held by the Fund while we also maintain a regular dialogue with the managers of the Hedge Fund holdings in order to try and coax out liquidity where possible. However, the medium to longer term nature of some of these assets makes this a slower process than we would like. Please note that due to the move to bi-monthly factsheets the performance shown below is for both April and May.

Share Buybacks

A significant landmark in the process of providing liquidity to investors was reached on 31 March with the lifting of the suspension of trading. As at 23 July when these factsheets were finalised, the fund had spent £2.111m in buying back shares. Any investor wishing to sell in the market should request their stockbroker to contact Channel Islands Stock Exchange market maker. Details can be found at www.cisx.com.

Fund Objective

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.

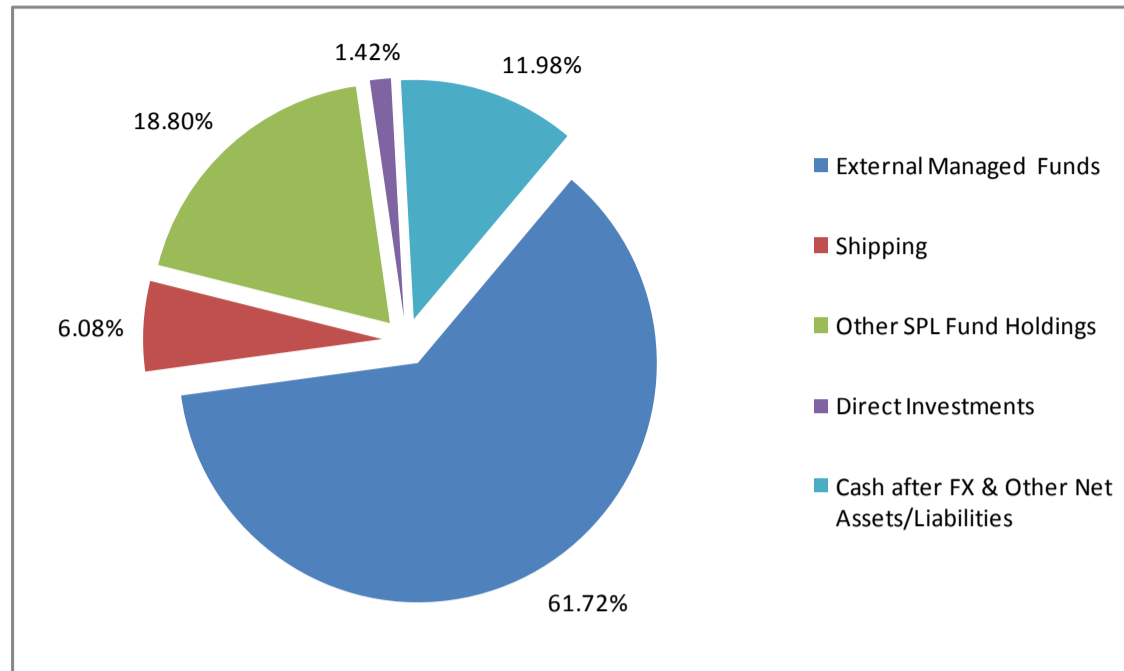
Holdings

Investment	Currency of Investment	Value as at 31 Mar 10 (in GBP)	Cash Movement	Value as at 28 May 10 (in GBP)	Contribution to Overall Change in Net Assets in the Period	Comments / Additional Information
Caritas Royalties Fund II (Bermuda) Ltd	USD	2,237,274	-	2,408,382	1.18%	Monthly fund revaluation based on the NAV provided by the fund's administrator. Full redemption proceeds subsequently received in July.
Acheron Portfolio Corporation	USD	1,725,190	-	1,827,729	0.71%	Monthly fund revaluation based on the NAV provided by the fund's administrator.
Latin America Bioenergy Fund	USD	1,668,277	-	1,775,888	0.74%	Monthly fund revaluation based on the NAV provided by the fund's administrator. Fund now in run-off and is repaying its leverage facility before returning capital to investors which is expected during 2011-12.
Climate Change Capital	EUR	1,112,138	282,811	1,316,500	(0.54%)	Fund revaluation based on the quarterly partnership report provided by the fund manager.
Shipping Deal 2	EUR	416,651	-	397,304	(0.13%)	There has been no real movement on this asset since the February factsheet. The arbitration process continues and we hope to have more to report soon.
Shipping Deal 1	USD	317,263	18,821	353,092	0.12%	The final drawdowns to fund conversion works were made by the borrower during the period. The cost of these was more than offset by an increase in the underlying value of the fleet based on the latest valuation received from Clarksons.
Natsource Aeolus Funds	USD	692,010	(425,676)	294,364	0.19%	Monthly fund revaluation based on the NAV provided by the fund's administrator.
Execution Noble - Equity	GBP	174,880	-	174,880	-	Further merger pending with Banco Espirito Santo de Investment but this is still awaiting regulatory approval.
cru Investment Management - Equity	GBP	-	-	-	-	
Holdings in Other SPL Funds						
Arch Private Finance IC Ltd	GBP	1,247,994	-	1,084,355	(1.13%)	Monthly fund revaluation based on the traded mid-price shown on the CISX.
SPL Fine Wine (NR2) IC Ltd	GBP	870,173	-	791,914	(0.54%)	Monthly fund revaluation based on the traded mid-price shown on the CISX. The pricing for this asset changed from being NAV based during this period, as explained in the factsheet for March.
SPL Private Finance (PF1) IC Ltd	GBP	298,429	-	253,664	(0.31%)	Monthly fund revaluation based on the traded mid-price shown on the CISX.
SPL Finance Opportunities (PF3) IC Ltd	GBP	126,011	-	126,011	-	Monthly fund revaluation based on the traded mid-price shown on the CISX.
SPL Structured Finance (PF4) IC Ltd	GBP	65,647	-	65,647	-	Monthly fund revaluation based on the traded mid-price shown on the CISX.
Other						
Cash	GBP	3,568,936	(2,027,776)	1,540,339	(0.01%)	Decrease in the value of cash due to currency movements.
Buybacks	GBP	-	2,111,865	-	(14.59%)	Cash distributed to investors reduced the overall Net Assets of the Fund but contributed to an increase in the NAV per share due to the discount at which shares were purchased.
Other Net Liabilities	GBP	(43,118)	39,955	(61,257)	(0.40%)	
Total		14,477,755		12,348,812		

Performance Over Last 12 Months

	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
NAV per Share	0.8436	0.8158	0.8334	0.8097	0.7870	0.7861	0.7849	0.7843	0.8070	0.8029	0.7874	0.8038
% Change	(8.6%)	(3.3%)	2.2%	(2.8%)	(2.8%)	(0.1%)	(0.1%)	(0.1%)	2.9%	(0.5%)	(1.9%)	2.1%

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 is 1.5%.
- The Performance Fee for the Fund is 20% of performance above the Cumulative Hurdle Rate of three month Sterling LIBOR + 4%.
- The High Water Mark for the Fund will be reset as the higher of: i) The November end-of-month NAV, ii) The arithmetic average of the end-of-month NAV's, for the 9 data points between March and November 2009 inclusive subject to various adjustments. This will be published once it has been agreed by the board.
- The ISIN for the Fund is GG00B1XLND02.
- The Sedol for the Fund is B1XLND0.
- Information relating to the Fund is also available on the SPL Funds website (www.splfunds.com).

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.