Spearpoint

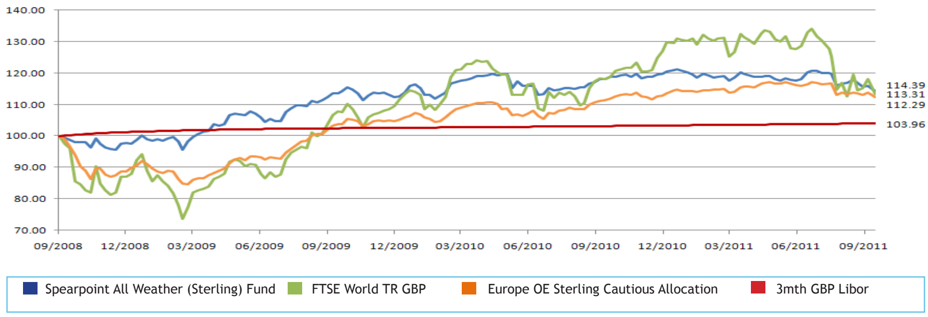
Spearpoint All Weather (Sterling) Fund

PRICE: GBP 0.9626 (as at 30 September 2011) 30 September 2011

Fund Objectives

The Fund aims to deliver consistent and attractive returns to investors, considerably in excess of the returns from cash after all fees and expenses. Over rolling three year periods, the Fund also aims to generate returns that are competitive with the returns from other major asset classes such as equities and bonds.

Performance of the Fund since inception to 30 September 2011*^



Source: Morningstar/Spearpoint

Fund Facts

Base Currency: GBP

Dealing Frequency: Daily (t+3 Settlement)

Lead Manager: Kevin Boscher

Return Objective: LIBOR cash + 4% to 6% over rolling 3 year cycles

Fund Structure: Dublin UCITS IV, SPL Investment Funds PLC is an open ended umbrella investment company with segregated liability between sub funds, registration number 454277

Custodian: BNY Mellon Trust Company (Ireland) Limited

Administrator: Capita Financial Administrators (Ireland) Limited

Auditors: Deloitte & Touche

Reporting Fund Status: Yes

Performance of the Fund since inception to 30 September 2011*^

	Return	Annualised Return	Annualised Volatility	Sharpe Ratio*	Maximum Drawdown**
Spearpoint All Weather Sterling	14.4%	4.5%	7.6%	0.27	-5.7%
Europe OE Sterling Cautious Allocation	12.3%	3.9%	7.5%	0.20	-15.3%
FTSE World TR GBP	13.3%	4.2%	20.2%	0.09	-26.3%

*Risk free rate 2.43% yield on 10yr UK Gilt **Based on weekly data

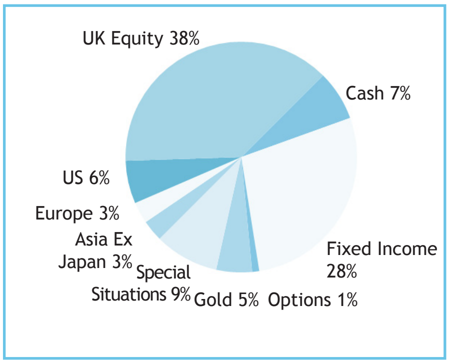
Historical Monthly Returns*^

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2011	-1.95	0.28	1.17	-1.18	-0.36	1.65	-0.22	-1.85	-2.98	-	-	-	-5.40
2010	-0.82	0.72	4.05	1.17	-2.08	-3.49	1.46	0.60	2.21	1.23	-0.69	1.18	6.11
2009	0.20	-0.68	3.24	2.33	2.73	-1.13	3.15	2.16	2.34	-0.13	-0.05	0.41	15.40
2008									-1.20	-2.57	-0.31	2.90	-1.26

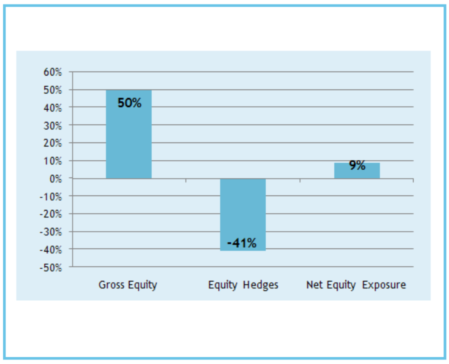
*^Performance Note

The performance data up to 23/11/2010 reflects the performance of the Spearpoint All Weather Fund, which was a cell of Spearpoint Investment Funds PCC Ltd (a protected cell investment company registered with limited liability in Guernsey, registration number 49131) and was managed with comparable parameters, guidelines and investment process by the same principals as this Fund. The Fund switched from a Guernsey scheme to an Irish listed sub-fund on 24/11/2010, as detailed above in the Fund Facts. From this date the liquidity of the Fund and expenses of the Fund vary from those to which the prior performance relates. Past performance should not be used as a guide to future performance.

Asset Allocation



Net Equity Exposure



Tactical Holdings

- M&G Optimal Income
- GlaxoSmithKline
- BG Group
- Polar Tech Fund
- Vodafone
- Unilever
- Royal Dutch Shell
- Atlantis China
- FTSE Put Options
- Gold Bullion
- UK Treasury 3 3/4% 2020
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Review

Global stock markets suffered further heavy falls in September and many indices have now declined by between 15-25% in the year-to-date. In a similar manner to the credit crisis in late 2008/early 2009, there were few hiding places from the turmoil as most asset classes became more closely correlated. For example, corporate bond spreads widened, emerging market debt and currencies sold off and commodities and commodity-linked currencies fell sharply. Even Gold, which had risen to new highs of around $1900 per ounce in early September, collapsed as the panic selling became indiscriminate and margin calls increased. The US Dollar was a major beneficiary of the crisis, as were government bonds. Against such a difficult background, the Fund avoided the worst of the falls but declined by 2.9%. So far this year, the Fund has again proved its defensive capabilities with a fall of 5.4%, which compares very favourably in both absolute and relative terms.

Outlook

The global economy is in a dangerous new phase and policy makers and financial markets face a number of serious issues at the current time. Global activity has weakened and become even more uneven, confidence has fallen sharply recently and downside risks are growing. As global markets have suffered a major sell-off of risk assets, there are growing signs that this is spilling over into the real economy, further threatening an already fragile macro environment. Consequently, global economic forecasts are rapidly being revised down, even in China and other emerging economies.

Investors are scared by the possibility that policy makers are either incapable of action, horribly lagging or don't have the tools to avoid calamity. There is also a growing realisation that the developed economies face a prolonged period of slow growth as deleveraging runs its course and as central banks and governments run out of policy options.

In our view, it is inevitable that Greece will default on its debts, which will probably result in at least a 50% write-down for its creditors. Germany and France appear to be leading an attempt to put in place a plan for an orderly default. This would likely involve using the European Central Bank (ECB) and European Financial Stability Facility (EFSF) to put a "firewall" around other peripheral debt (especially Italian and Spanish) and to re-capitalize European banks. This is critical because the Euro zone cannot afford to offset the hit to bank capital if either of these two countries were to default. For this solution to be effective, Germany (and any other dissenters) will need to quickly abandon their political resistance to such a move, since this would involve the ECB shedding its reticence and demonstrating decisively that it is seriously backing the system.

The creation of a sufficiently large lender-of-last resort, together with a capital injection into the banks, would have a chance of allowing Greece to default or restructure more meaningfully without setting off a domino effect in other bond markets. A key question for the next few months is how much more pain will be required before European politicians make the right decisions. The longer they delay, the greater the damage to the global economy and the more financial markets will have to fall.

In the meantime, the chances of further Quantitative Easing (QE) from the Federal Reserve (Fed) and the Bank of England have also increased. In Japan the government should pursue more ambitious measures to deal with the very high level of public debt, whilst also embarking on more QE to weaken the Yen and stimulate activity. As for China, we believe that their monetary tightening is in its late stages, if not over. The authorities will continue to be focused on dampening inflation concerns and preventing a property bubble from bursting. However, the good news is that inflation has probably peaked, especially with the recent falls in global commodity prices. Whilst there remains a risk of a Chinese hard-landing, we believe that policy makers have plenty of tools available to stimulate domestic demand and keep the economy growing at a solid pace.

The recent sharp market declines suggest that equities are already discounting a contraction in earnings in the coming months. In addition, markets are technically oversold on a short-term basis and sentiment is very pessimistic. Monetary policy will also stay supportive, as will falling commodity prices. However, all of these positives will not be enough to prevent equities or other risk assets from falling further in the absence of substantial policy action. The negative forces are simply too powerful. The rising risk of a financial crisis in Europe, the inability of authorities to reflate and political paralysis in both Europe and the US will sustain downward pressure on equities and ensure that volatility stays high for the foreseeable future.

The Fund remains very defensively positioned. Sentiment remains very fragile and risk aversion is likely to prevail for some time. It is not just equities that are difficult to read at present, there are clearly risks in all asset classes in the near term. We are ready to change strategy quickly and aggressively as events unfold, but for now continued caution is required.

	Sedol	ISIN	Bloomberg Ticker Code	Annual Fee	Performance Fee	Minimum Initial Investment	Minimum Additional Investment	Share Class Launch	Month End NAV
Sterling Institutional Non Reporting Shares	B57TGD9	IE00B57TGD98	SPASNRI ID	1.0%	20% of out performance of 3M Sterling Libor +2%	£10,000	£5,000	Sep-08	£0.9626
Sterling Retail Non Reporting Shares	B5N2P02	IE00B5N2P027	SPASNRR ID	1.5%	15% of out performance of 3M Sterling Libor +3%	£10,000	£5,000	Nov-09	£0.9589
Sterling Institutional Reporting Shares	B3TFL14	IE00B3TFL149	SPAWSRI ID	1.0%	20% of out performance of 3M Sterling Libor +2%	£10,000	£5,000	Jan-11	£0.9489
Sterling Retail Reporting Shares	B3RK939	IE00B3RK9391	SPAWSRR ID	1.5%	15% of out performance of 3M Sterling Libor +3%	£10,000	£5,000	Jan-11	£0.9456

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