Newsletter

August 2009

shaPE

Dear Investor

Continuing their upward trend through August, public equities advanced by 4.1% in USD terms. With a monthly performance of +6.9% (LPX50 TR) and the of +6.3% (LPX Indirect) (both in EUR terms) listed private equity once more outperformed public equities.

The US Dollar and the Euro lost again slightly against Swiss Franc over the month (-0.9%; -0.3%).

Market data	31.08.09	31.07.09	Change mtm	31.12.08	Change ytd
MSCI World TR (USD)	**2'583.7**	2'481.3	4.1%	2'151.0	20.1%
LPX 50 TR (EUR)	**645.4**	603.8	6.9%	469.0	37.6%
LPX Indirect (EUR)	**27.6**	25.9	6.3%	22.0	25.5%
USD / CHF	**1.0588**	1.0683	-0.9%	1.0675	-0.8%
EUR / CHF	**1.5177**	1.5220	-0.3%	1.4943	1.6%
GBP / CHF	**1.7250**	1.7873	-3.5%	1.5574	10.8%

The average discount of the LPE fund of fund universe as reported by RBS on a weekly basis narrowed further and stood at -48.7% per month end. The narrowing continued into the current month with a reported average discount of -46.4% per 16 September.[1]

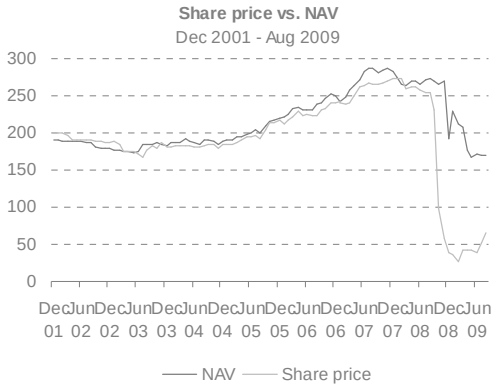
Performance and Portfolio Development

The NAV per share moved marginally from CHF 169.94 to CHF 170.03 (+0.1%). The share price however saw a substantial upswing from CHF 52.50 to CHF 65.00 (+23.8%) reducing the discount to -61.8%. On 16 September the share price experienced a further significant uplift in response to the announcement of a realization strategy (see www.shape-capital.com for the respective press release, explaining the details on the realization strategy as well as on the corresponding organizational changes). Today's closing share price of CHF 82.00 implies a discount of -51.8% which is more or less in line with the discounts reported by RBS for the other SIX Swiss Exchange listed LPE vehicles.

The incoming Q2 reports continue to show a wide range of revaluations, they overall trend however being slightly positive. The cash flow picture remains unchanged, i.e. capital calls continue to exceed distributions. During August, shaPE paid out CHF 1.2 million in capital calls while CHF 0.2 million were received through distributions – pretty much the same figures as in July. Mirroring the limited investment activity, key figures remained more or less unchanged. The investment level advanced by one percent to 90%, the commitment ratio remained at 182% and the unfunded commitments to NAV ratio reduced by two percent to 76%.

Development of key figures	31.08.09	31.07.09	Change mtm	31.12.08*	Change ytd
NAV per share (CHF)	**170.03**	169.94	0.1%	192.94	-11.9%
Closing price SWX (CHF)	**65.00**	52.50	23.8%	38.00	71.1%
Premium / (discount) to NAV	**(61.8%)**	(69.1%)	7.3%	(80.3%)	18.5%
Investment level	**90%**	89%	1%	96%	-6%
Total commitments vs. NAV	**182%**	182%	0%	198%	-16%
Undrawn commitments vs. NAV	**76%**	78%	-2%	86%	-10%
No. of listed PE investments	**1**	1	0	2	-1
FV listed PE investments (CHFm)	**5.3**	4.8	9.5%	9.6	-4.3
No. of unlisted PE investments	**47**	47	0	60	-13
FV unlisted PE investments (CHFm)	**122.1**	121.5	0.5%	157.1	-35.0

*Please note that the NAV per 31.12.2008 reflects audited information.



Market Development

While it is still too early get exuberant with private equity in general, it looks like valuations have found a bottom and deal activity is cautiously picking up. Fund managers who have done the necessary homework on the existing portfolio are now spending more time working on the deal pipeline. Also, some recent M&A and IPO exits have brought further confidence that the full private equity value chain is still functional. We continue to repeat our mantra that challenging times like the present ones represent excellent entry points for experienced fund managers. In the light of the adopted realization strategy, we point out that shaPE retains its exposure to these opportunities through unfunded commitments of CHF 70 million to 2008 and 2009 vintage funds. Under the realization mode, shaPE will continue to seed new investments done by these funds and return the proceeds to shareholders over the coming few years.

Pfaeffikon SZ, 18 September 2009

Simon Lamprecht

[1] RBS Alternatives Parity Sheet 16.09.2009.

Please note that the financial data in this newsletter is unaudited information and is based on sources deemed by shaPE to be reliable; however the accuracy of the information cannot be guaranteed and no liability shall be accepted in this respect. Due to an information time lag in the reporting of the investments, the NAV reported in this newsletter may differ from the NAV published by the company at the respective date and from the NAV that will be published in the annual report of the company per the respective date. This newsletter is for information only and does not constitute an offer to subscribe.

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