

## Dear Investor

Equity markets continued their upward trend through September. Similarly, listed private equity continued its outperformance against public equities (LPX50 TR +6.2%; LPX Indirect +7.2%, both in EUR terms).

The US Dollar and the Euro lost once more against the Swiss Franc (-2.2%; -0.1%).

Market data	30.09.09	31.08.09	Change mtm	31.12.08	Change ytd
MSCI World TR (USD)	2'686.7	2'583.7	4.0%	2'151.0	24.9%
LPX 50 TR (EUR)	685.6	645.4	6.2%	469.0	46.2%
LPX Indirect (EUR)	29.5	27.6	7.2%	22.0	34.4%
USD / CHF	1.0358	1.0588	-2.2%	1.0675	-3.0%
EUR / CHF	1.5168	1.5177	-0.1%	1.4943	1.5%
GBP / CHF	1.6581	1.7250	-3.9%	1.5574	6.5%

The significant share price advances of listed private equity fund of fund vehicles lead to a further narrowing of discounts between share price and NAV per share. Per month end, RBS reported an average discount of -42.2% for the LPE fund of fund universe, compared to -48.7% per end of August.<sup>1</sup>

### Performance and Portfolio Development

The NAV per share decreased from CHF 170.03 to CHF 167.61 (-1.4%) mainly due to FX movements (USD and EUR weakening against the Swiss Franc). The share price however continued its catch-up race and increased from CHF 65.00 to CHF 81.15 (+24.8%), mainly reflecting the positive response to the announced realization strategy (see [www.shape-capital.com](http://www.shape-capital.com) for the respective press release, explaining rational and details on the realization strategy as well as the corresponding organizational changes).

The reported NAV now almost entirely reflects Q2 valuations of the underlying funds with the overall valuation impact remaining minimal and slightly positive.

Capital calls continue to exceed distributions with similar relations as over the previous months. During the month CHF 1.2 million were paid in capital calls compared to CHF 0.2 million received through distributions.

As a first step under the realization regime, shaPE secured a commitment reduction of USD 3.0 million in its commitment to Baring Vostok IV Supplemental Fund, L.P. The reduction positively impacts the relation of total commitments to NAV and unfunded commitments to NAV.

Development of key figures	30.09.09	31.08.09	Change mtm	31.12.08*	Change ytd
NAV per share (CHF)	167.61	170.03	-1.4%	192.94	-13.1%
Closing price SWX (CHF)	81.15	65.00	24.8%	38.00	113.6%
Premium / (discount) to NAV	(51.6%)	(61.8%)	10.2%	(80.3%)	28.7%
Investment level	91%	90%	1%	96%	-5%
Total commitments vs. NAV	181%	182%	-1%	198%	-17%
Undrawn commitments vs. NAV	73%	76%	-3%	86%	-13%
No. of PE investments	48	48	0	62	-14
FV of PE investments (CHFm)	126.7	127.3	-0.5%	166.7	-40.0

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



### Market Development

As we are moving into the fourth quarter of the year, we are getting more comfortable with the valuation of the underlying portfolio companies in the private equity universe. The industry has witnessed several exits over the recent months and most of them were actually done at premiums to latest valuation. These developments confirm our conviction that confidence to the sector will improve — although slowly and gradually.

shaPE will continue to finance its current commitments and then harvest the fruits over the coming few years with the target to maximize distributions to shareholders.

Pfaffikon SZ, 16 October 2009

Simon Lamprecht

<sup>1</sup> RBS Alternatives Parity Sheets 30.09.2009 and 26.08.2009.

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.