shaPE

Newsletter

October 2009

Dear Investor

Public equity markets (MSCI World TR, USD terms) corrected by 1.8% in October. Listed private equity corrected downwards as well although inconsistently with the LPX 50 TR losing -5.8% and the purely fund of funds based LPX Indirect losing -1.6% (both in EUR terms).

On the currency side, the US Dollar as well as the Euro depreciated against the Swiss Franc (-0.9%; -0.5%).

Market data	31.10.09	30.09.09	Change mtm	31.12.08	Change ytd
MSCI World TR (USD)	**2'638.9**	2'686.7	-1.8%	2'151.0	22.7%
LPX 50 TR (EUR)	**645.8**	685.6	-5.8%	469.0	37.7%
LPX Indirect (EUR)	**29.0**	29.5	-1.6%	22.0	32.2%
USD / CHF	**1.0260**	1.0358	-0.9%	1.0675	-3.9%
EUR / CHF	**1.5098**	1.5168	-0.5%	1.4943	1.0%
GBP / CHF	**1.6889**	1.6581	1.9%	1.5574	8.4%

The set-back in share prices of listed private equity fund of fund vehicles resulted in slightly higher discounts for the universe (-45.4% per 28 October vs. -42.2% per 30 September).[1]

Performance and Portfolio Development

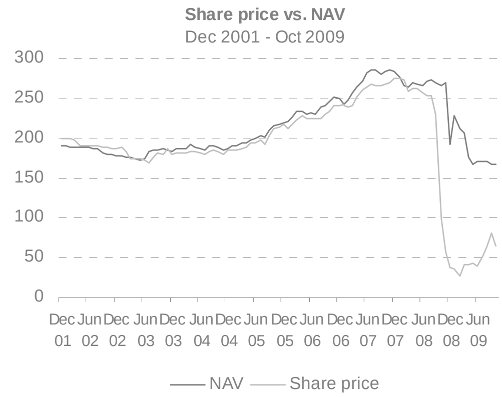
The NAV per share decreased from CHF 167.61 to CHF 166.44 (-0.7%). Once more, the decrease is mainly due to FX movements (USD and EUR weakening against the Swiss Franc). The share price on the other hand exhibited a disappointing performance through the month and decreased from CHF 81.15 to CHF 64.00 (-21.1%). Herewith, the share price basically gave back its entire momentum experienced after the announcement of the realization strategy on 16 September 2009. The month-end share price implies a discount to the NAV per share of -61.5% which is again considerably higher than the universe average.

In terms of fair market value, more than 97% of the investments are now based either on Q2-09 (roughly 90%) or Q3-09 (roughly 7%) valuations. While the first Q3 reports included in the present October NAV do not yet show a clear picture, further Q3-09 reports received more recently in November so far indicate further upward valuations.

As regards to cash flows to and from underlying funds, the picture remains unchanged with capital calls continuing to exceed distributions by roughly CHF 1.4 million. Reflecting this net outflow of cash to underlying funds, the investment level increased slightly from 91% to 92% during the month. Please note that we have added total NAV (total shareholders' equity) as well as net cash (cash and cash equivalents minus liabilities) to our key figures table below.

Development of key figures	31.10.09	30.09.09	Change mtm	31.12.08*	Change ytd
Total NAV (CHFm)	**138.1**	139.6	-1.5	174.4	-36.3
NAV per share (CHF)	**166.44**	167.61	-0.7%	192.94	-13.7%
Closing price SWX (CHF)	**64.00**	81.15	-21.1%	38.00	68.4%
Premium / (discount)	**(61.5%)**	(51.6%)	-9.9%	(80.3%)	18.8%
Net cash (CHFm)	**10.9**	12.9	-2.0	7.8	3.2
Investment level	**92%**	91%	1%	96%	-4%
Total commitments vs. NAV	**182%**	181%	1%	198%	-16%
Undrawn commitments vs. NAV	**72%**	73%	-1%	86%	-14%
No. of PE investments	**48**	48	0	62	-14
FV of PE investments (CHFm)	**127.2**	126.6	0.6	166.7	-39.5

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



Market Development

Moving towards year end, our conviction grows that Q1-09 valuations might have represented the bottom. Incoming Q3 reports so far show encouraging upward valuations mirroring the positive equity market development through the third quarter. A sustained and broad improvement in valuations will certainly help to improve investor's confidence in the sector. And although the private equity market itself is still in the recovery mode, the growing number of announced transactions indicates that confidence among fund managers is growing as well.

Pfaeffikon SZ, 20 November 2009

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[1] RBS Alternatives Parity Sheets 28.10.2009 and 30.09.2009.

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