

Dear Investor

Unlike public equity, listed private equity had a fairly promising start into the new year. During January, the LPX 50 TR which includes the largest listed private equity vehicles advanced by 4.4% (EUR terms), listed private equity fund of funds as measured by the LPX Indirect advanced by 10.2% (EUR terms).

On the currency side, the US Dollar gained 2.4% against the Swiss Franc, while the Euro, the second main investee currency of shaPE, lost 0.8% against the Swiss Franc.

Market data	31.01.10	31.12.09	Change mtm	31.12.08	Change yoy
MSCI World TR (USD)	2'680.5	2'796.0	-4.1%	2'151.0	24.6%
LPX 50 TR (EUR)	722.4	692.0	4.4%	469.0	54.0%
LPX Indirect (EUR)	33.3	30.2	10.2%	22.0	51.6%
USD / CHF	1.0604	1.0355	2.4%	1.0675	-0.7%
EUR / CHF	1.4702	1.4823	-0.8%	1.4943	-1.6%
GBP / CHF	1.6978	1.6736	1.4%	1.5574	9.0%

Mirroring the strong share price performance, discounts in the listed fund of fund universe, as reported by RBS further narrowed during January and continue their convergence towards more common levels. Per end of January, the average universe discount stood at -43.4%, compared to -46.5% at year end.¹

Performance and Portfolio Development

The NAV per share advanced from CHF 168.10 per year end to CHF 176.14 (+4.5%). While the increase of the US Dollar against the Swiss Franc explains roughly one third of the increase, the increase was mainly driven by the last incoming Q3 reports and first Q4 reports of underlying funds.

The Q4 reports received so far showed solid upward valuations and confirm our conjecture expressed in previous newsletters that year end valuations will again show further upticks in valuations. The major upward valuations are seen in buyout funds (as opposed to venture capital funds) as many of these funds had marked down their investments heavily and now see rebounds in their valuations as a consequence of multiple increases as well as EBITDA improvement. As currently roughly one third of the investment portfolio is valued at Q4 figures, we expect some further upside in the coming February and March NAVs related to incoming Q4 reports.

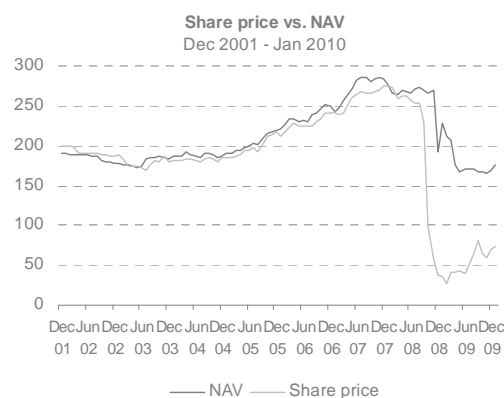
Although the share price advanced in line with the overall listed PE market, the implied

discount per end of January of -57.7% still significantly lags the universe discount.

The investment level increased by 2% from 95% to 97%, mirroring the persisting negative cash flow environment (i.e. funds calling more money for new investments than distributing from exits). On the other hand, undrawn commitments relative to total NAV further decreased from 68% to 63% of NAV.

Development of key figures	31.01.10	31.12.09	Change mtm	31.12.08*	Change yoy
Total NAV (CHFm)	146.4	140.9	5.5	174.4	-28.0
NAV per share (CHF)	176.14	168.10	4.8%	192.94	-8.7%
Closing price SWX (CHF)	74.50	69.50	7.2%	38.00	96.1%
Premium / (discount)	(57.7%)	(58.7%)	1.0%	(80.3%)	22.6%
Net cash (CHFm)	4.9	7.5	-2.6	7.8	-2.9
Investment level	97%	95%	2%	96%	1%
Total commitments vs. NAV	171%	178%	-7%	198%	-27%
Undrawn commitments vs. NAV	63%	68%	-4%	86%	-23%
No. of PE investments	48	48	0	62	-14
FV of PE investments (CHFm)	141.5	133.4	8.1	166.7	-25.2

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



Market Development

Having commented our expectation of bottoming valuations for quite some time, it seems encouraging that we now witness the first significant upward valuation adjustments. While we do not see rapid further upward moves we feel confident that most managers had been very cautious with their valuations over the course of 2009 and that the average valuation news in the near to midterm future will be positive. As commented earlier, a sustained recovery in private equity markets relies on healthy exit markets. Some prominent cancellations of planned PE-backed IPOs over the last two weeks remind us that the road will remain bumpy.

Pfaffikon SZ, 17 February 2010

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¹ RBS Investment Funds Daily List 29.01.2010 and Alternatives Parity Sheet 30.12.2009.

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.