

## Dear Investor

In February, listed private equity continued to do well. The LPX 50 TR and the LPX Indirect were up by 3.1% and 1.2%, respectively (both in Euro terms). Through the first two months listed private equity stocks have already shown a strong performance (+7.7% and +11.5%) compared to public equities as measured by the MSCI World TR (-2.8% in USD terms).

On the currency side, the US Dollar strengthened by 1.24% against the Swiss Franc, while the Euro, the second main investee currency of shaPE, weakened by 0.5%.

Market data	28.02.10	31.01.10	Change mtm	31.12.09	Change ytd
MSCI World TR (USD)	2'718.3	2'680.5	1.4%	2'796.0	-2.8%
LPX 50 TR (EUR)	745.0	722.4	3.1%	692.0	7.7%
LPX Indirect (EUR)	33.7	33.3	1.2%	30.2	11.5%
USD / CHF	1.0734	1.0604	1.2%	1.0355	3.7%
EUR / CHF	1.4625	1.4702	-0.5%	1.4823	-1.3%
GBP / CHF	1.6380	1.6978	-3.5%	1.6736	-2.1%

As many LPE vehicles not only saw their share price increase but also reported higher NAVs, discounts in the listed fund of funds universe barely moved during February (from -43.4% per end of January to -43.0% per end of February).<sup>1</sup>

### Performance and Portfolio Development

The NAV per share advanced from CHF 176.14 per end of January to CHF 177.28 (+0.6%). As only few new year end reports of underlying funds were included, the increase mainly relates to the strengthening of the US Dollar against the Swiss Franc.

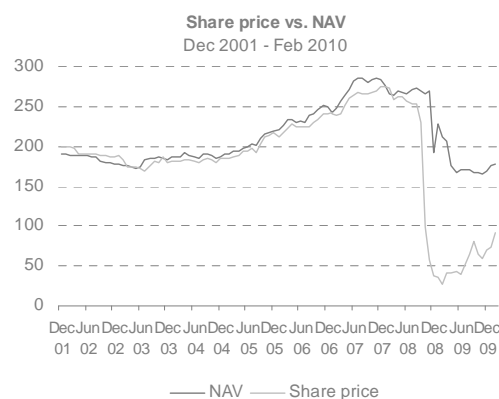
The share price rose significantly from CHF 74.50 to CHF 91.00 (+22.1%) during the month bringing the discount down to 48.7%. Although this level is still below the universe discount as reported by RBS the discount is now the lowest of the five SIX Swiss Exchange listed private equity vehicles.

As announced today (see [www.shape-capital.com](http://www.shape-capital.com) for the respective press release) shaPE has decided to sell three highly unfunded partnership interests. At the same time, shaPE announced the signing of a CHF 12 million credit line with its sponsor and investment manager Bank Julius Baer. The sale of the three partnership interests as well as the new credit line will greatly improve the basis for a successful execution of the realization strategy announced in September

2009. Please note that the secondary transactions as well as the credit line are not yet reflected in below numbers. The sale of the three LP interests will result in a minor NAV write-down. shaPE however believes to have more than compensated the incurred write-down through the purchase of own shares. In this regard shaPE just recently reported the crossing of the 5% level of own shares held.

Development of key figures	28.02.10	31.01.10	Change mtm	31.12.09*	Change ytd
Total NAV (CHFm)	143.4	146.4	-3.0	140.9	2.5
NAV per share (CHF)	177.28	176.14	0.6%	168.10	5.5%
Closing price SWX (CHF)	91.00	74.50	22.1%	69.50	30.9%
Premium / (discount)	(48.7%)	(57.7%)	9.0%	(58.7%)	10.0%
Net cash (CHFm)	2.5	4.9	-2.4	7.5	-5.0
Investment level	98%	97%	2%	95%	4%
Total commitments vs. NAV	175%	171%	3%	178%	-3%
Undrawn commitments vs. NAV	64%	63%	1%	68%	-4%
No. of PE investments	48	48	0	48	0
FV of PE investments (CHFm)	140.9	141.5	-0.6	133.4	7.5

\*Please note that the NAV per 31.12.2009 reflects yet unaudited information.



### Market Development

Conditions in the private equity secondary market have recently become more seller friendly. shaPE has taken advantage of these improvements by selling three highly unfunded commitments. This sale together with the new credit line puts shaPE cash-wise in a more comfortable situation. shaPE has in this round of secondary sales decided not to sell any mature funds as we believe that (a) distributions from these funds will increase over the coming few quarters as well as (b) secondary market might very well continue to become more attractive for sellers of high quality assets in the quarters to come.

Pfaffikon SZ, 12 March 2010

Simon Lamprecht

<sup>1</sup> RBS Investment Funds Daily List 29.01.2010 and 26.02.2010.

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.