

## Transformation of SPG stock into investment fund units

### **Background**

Ever since the financial crisis in autumn 2008, the stock price of SPG has recorded an unsatisfactory and disappointing performance.

Not least of all due to this development, the number of treasury shares had increased and the stock intermittently traded at what for SPG shareholders is an unusually deep discount to net asset value of more than 20%.

Despite the reduction in treasury shares subsequent to the par value cut approved at the general meeting of shareholders in November 2010, the situation has not fundamentally improved and the Board of Directors therefore decided to conduct a thorough strategic analysis with an eye towards reorientation.

### **Objective**

The Board of Directors desires to reposition SPG as an innovative, globally oriented and sustainably successful investment instrument. It wants to give SPG shareholders the opportunity, by means of a liquid and diversified investment fund, to benefit from growth areas that generate economic, ecological and social added value. This reorientation is aimed at exploiting global opportunities and the dynamics of the marketplace.

### **Transfer into an investment fund: Globalance Sokrates Fund**

With this goal in mind, the Board of Directors solicited offers from the existing asset manager and three banks specialised in sustainable investments in order to afford shareholders what the Board considers to be the most interesting investment possibility. After having compared the offers received, the Board arrived at the following decision: it will propose to the general meeting of shareholders that the stock of SPG be transformed into units of the Globalance Sokrates Fund, a collective investment scheme domiciled in Luxembourg. The fund convinced the Board especially in terms of the requisite degree of innovation, future viability and shareholder-oriented implementation of its investment approach, and it is managed by the experienced research and investment team of Globalance Bank Ltd. More detailed information on the fund can be found in the enclosed factsheet.

You can access further information on Globalance Bank at [www.globalance-bank.com](http://www.globalance-bank.com)

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## **Timetable for the transformation**

The transition will take place in three stages. In this connection, SPG shareholders will be automatically allotted units of the Globalance Sokrates Fund as follows:

1. Distribution of reserves from capital contributions of SPG, presumably as at 4 July 2011 – corresponds approximately to CHF 88.- per SPG bearer share
2. Par value reduction, presumably at the end of August 2011 – corresponds approximately to CHF 62.- per SPG bearer share
3. Final distribution, presumably in the fourth quarter of 2011 following the successful liquidation of SPG's private equity investments

## **Questions and answers regarding the transaction**

### *What precisely must I do as an SPG shareholder?*

You need not do anything. If the general assembly approves the transaction, the custodian bank will automatically credit all shareholders' securities accounts with the appropriate number of fund units from each of the three stages.

### *What happens with regard to the deep discount of SPG shares?*

One reason for the proposed transaction, and a great advantage for SPG shareholders, is the fact that it will eliminate the discount and shareholders will receive the actual net asset value of the underlying investments (less any liquidations costs incurred).

### *Should I keep the fund units or can I sell them?*

You can learn about the investment strategy of the Globalance Sokrates Fund from the enclosed factsheet and at the general meeting of shareholders. If you wish to sell all or a portion of your fund units, you can do so at net asset value on any business day (less transaction costs, such as commissions and stamp/turnover tax).

### *What will happen to the SPG Public convertible bond?*

Provided that the general assembly approves the transaction, the liquidation of the company will result in a premature call of the outstanding CHF 50,000,000.- convertible bond issue (2008-2013) of SPG Public. The bondholders have the option to convert their bonds into fund units or demand cash payment.

### *When will SPG Ltd. be liquidated?*

SPG Ltd. will be liquidated after the sale of its private equity investments has been completed. To that purpose, shareholders will be invited to a concluding general meeting. The aim is to divest all of the private equity holdings by the end of this year.