

Multimanager Programs

Funds of Funds

The fund of funds as an investment class is part of the **historical DNA** of DeA Capital Alternative Funds. The first fund of funds (IDeA I Fund of Funds) dates back to 2007 and the latest, DeA Endowment Fund, currently being the sixth, has been launched in 2019 and has just reached its Final Close. Across the multiple funds, the management team **weighed the strategies differently** in each case:

IDeA I Fund of Funds (2007), the first strategy was Small/Mid buyout, with approximately **34%** of the portfolio

ICF II (2009), the Small/Mid buyout accounted for around **34%** of the portfolio.

IDeA Global Growth (2013) the Buyout (including large companies) weighed in at over **50%**.

The same strategy based on Buyouts, with over **53%**, also drove ICF III (2014).

DeA Endowment Fund (2019) is based on return, **liquidity, risk and allocation objectives that are consistent** with the requirements of its investors.

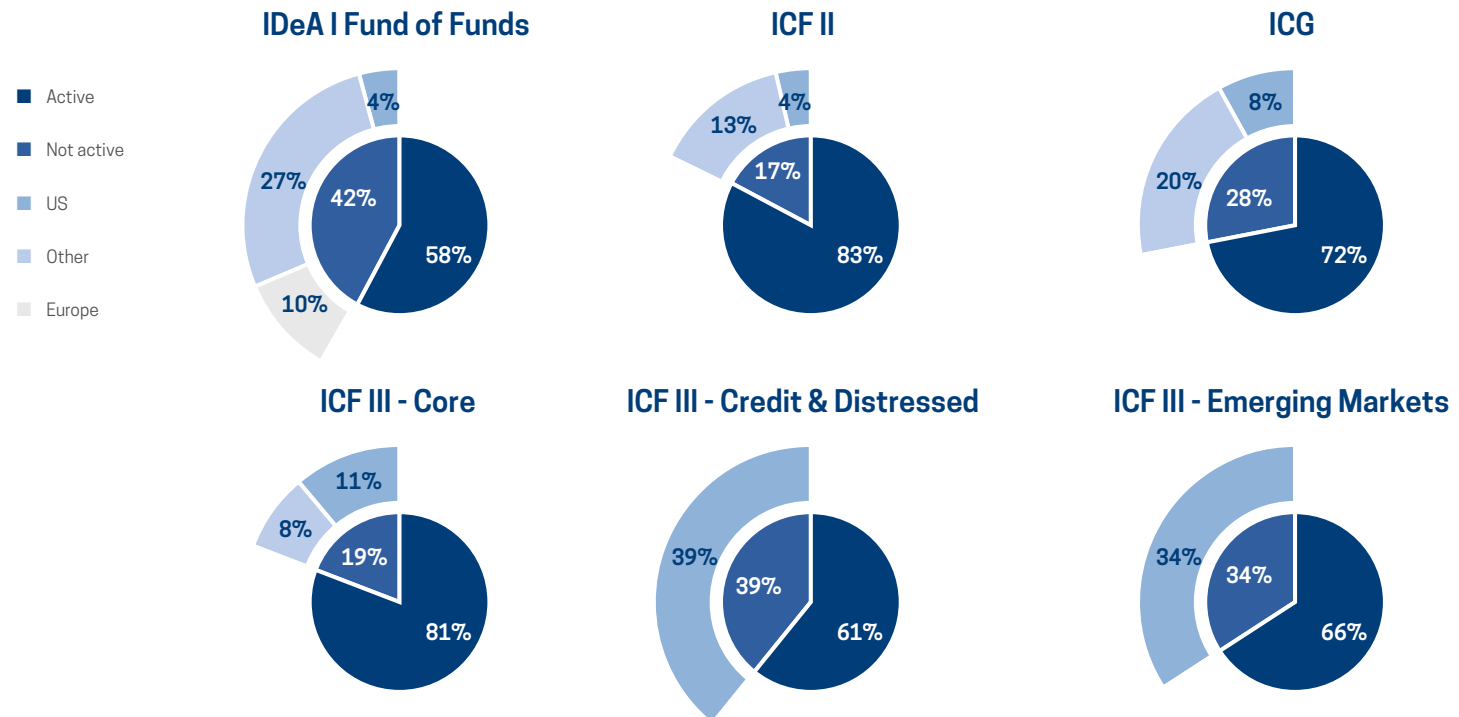
The contribution of DeA Capital Alternative Funds' management team to sustainability principles consists of a **very active stewardship activity**.

The active approach is carried out by sending **questionnaires to the managers**, in which the adherence to the ESG principles of the fund is highlighted. At the same time, the VCT is used for **monitoring and statistics**.

As required by the ESG Policy of DeA Capital Alternative Funds, the identification of investments that do not commit their portfolio companies to certain sustainability principles lead to a stricter monitoring activity with the objective of identifying any potential issue at the earliest stage, allowing the team to evaluate the correct responsive action.

During the course of the past year, the team has **screened the portfolios of all funds** that were invested before the adoption of

the UN PRI and of the VCT tool, in order to evaluate the effort of all portfolio GPs under ESG terms. The results are displayed in the graphs below: what the results show is that the funds in the portfolios have initiated a **gradual ESG improvement process** (on average, 70% of funds in each portfolio either have an ESG policy and/or have shared ESG reports), whilst the lowest level of ESG activity is being reported from GPs that operate in the emerging markets and/or in the private credit asset class.



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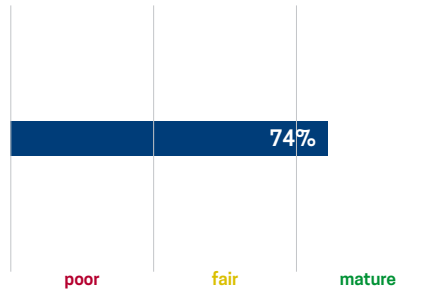
Focus on DeA Endowment Fund

DeA Endowment Fund is an alternative investment fund reserved to **Banking Foundations** according to **performance targets, liquidity, risk** and **consistent allocation** with the indications of the Foundations themselves.

The pre-identified asset classes contemplate investments in **private equity, private debt** and **infrastructure** having a predominantly **international geographical focus**, mainly in Europe and the United States.

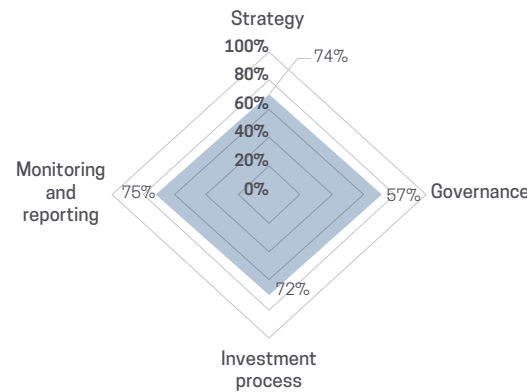
DeA Endowment Fund has been the first multimanager program initiated after the **adoption of the UN PRI** and the related **ESG VCT tool**. As such, every investment of the Fund has been subject to a specific ESG due diligence, aimed at measuring the level of ESG maturity and effort of each GP and fund.

OVERALL ESG MATURITY



Following a weighted assessment between the ESG scoring of the funds and the amount invested by the funds, the fund obtained a scoring of 74%, an excellent level of maturity.

ESG SCORING



The **ESG scoring** is calculated taking into account of the four macro-area:

- › **Strategy:** Presence of policies and procedures for ESG topics, ESG commitments.
- › **Investment Process:** Maturity of the GP in managing ESG factors throughout the investment life cycle.
- › **Governance:** Responsibilities for ESG, training on ESG, incidents notification systems.
- › **Monitoring and Reporting:** Monitoring and reporting on ESG performance to investors.

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