

# Special Situation: Flexible Capital

Flexible Capital Fund is the **latest private equity fund launched** by DeA Capital Alternative funds under **Art. 8 SFDR**. The fund primarily **promotes**, among other factors, **social and governance characteristics**, in particular through the **strengthening and safeguarding of major Italian businesses**, and through the integration of social elements such as (i) the improvement of the expertise and knowledge of the personnel engaged within the companies in which the Fund invests; (ii) supporting local communities' growth and development; and (iii) ensuring equality and countering any form of discrimination.

Flexible Capital Fund was established with investment policies and objectives consistent with the purposes of article 27 of Decree Law 34/2020 and article 3 of

the Decree of the Minister of the Economy and Finance, No. 26 of 3 December 2021, meaning **supporting and reinvigorating Italy's economic and productive system**.

Flexible Capital Fund was established in September 2022. To date, Flexible Capital Fund is in the process of finalizing the first two investments, which during the past months have been subject to a specific ESG due diligence carried out with the support of external advisors. In this context, Flexible Capital Fund has already **identified the ESG KPIs to monitor** with regards to the attainment of the social and environmental characteristics administrative, whose increase is one of the aims of the Fund in relation also to such investments.

Once the investments are completed, the Investment Team and the ESG Champion will carry out a constant interaction with the companies to **assess investments' ESG performance, also through the Value Creation Tool**. On this respect, a specific VCT for Flexible Capital Fund will be implemented during 2023, taking into consideration: (i) international standards as the United Nations-backed Principles for Responsible Investment, the Sustainability Accounting Standards, the Global Reporting Initiative Standards, and 15 of the 17 Sustainable Development Goals that the United Nations set up in 2015, and (ii) ESG performance indicators common to all societies within the portfolio, potentially complemented by supplementary indicators for individual target companies, based on their particular features.



Tol

Tol2

SS

AGRO

CCR

FC

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NPL