

# Letter

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“In 2018, DeA Capital reported more than positive results, confirming itself as the leading alternative asset manager in Italy and starting the internationalisation of the Platform. In the coming years, the solidity of the balance sheet will support us in the path of growth and in the continuous active remuneration of invested capital.”

# to the Shareholders

**D**ear Shareholders,

In 2018, the Assets Under Management (AUM) of the DeA Capital Platform increased to EUR 11,900 M, with Fees up to EUR 63.3 M (+6% compared to 2017) and an improved Operating Net Result to EUR 15.3 M (+14%).

In the year, Private Equity Investments generated net liquidity of almost EUR 80 M; these resources were used to strengthen the Alternative Asset Management activities - in particular, for the acquisition of the minority shares of the Asset Management Company active in the Real Estate sector and for the start of the Platform internationalisation project - as well as to remunerate invested capital (through dividend and re-purchase of treasury shares).

In terms of assets, we have continued to adopt an extremely prudent approach in allocating our liquid assets, reaching over EUR 100 M.

With reference to the performance of the share on the stock exchange, despite a rather complex picture of the financial markets especially in the last part of 2018, we recorded positive performance during the year (+0.3%), against decidedly negative developments for the two indexes that we usually refer to - FTSE All Share TR (-13.9%) and LPX Composite TR (-9.6%) - as well as for most asset classes worldwide. Even widening the time horizon and starting from 1 October 2014 - or from the date of sale of the investment in GDS - the comparison is substantially positive, with an overall performance of +31.9%, compared to +5% for the Italian index FTSE All Share TR and +33.6% for the LPX Composite TR.

In summary, we have reported a more than positive year in terms of both results and strategic achievements.

As mentioned above, we have come to hold 100% of the Asset Management Company active in Real Estate, significantly improving the ability to operate as an integrated platform in relation to our management companies; in addition, we started the internationalisation project of the same platform, with the establishment of two subsidiary companies in France and Spain, for the development in the respective markets of asset management in real estate.

In relation to the outlook, the reference scenario is still complex, particularly due to the numerous geo-political uncertainties, such as the result of the forthcoming European elections, the Brexit and the evolution of trade tensions between the United States and China. Global GDP growth expectations are positive, but slowing, and central banks are reacting to this with a more accommodating monetary policy tone than a few months ago. Increased levels of volatility on financial markets are expected, with investment opportunities based more on asset picking than on asset allocation. In this context, it is reasonable to expect a continuation of the growing trend in the allocation of investors' portfolios to alternative assets (mainly real estate, private equity, private debt and hedge funds).

As for DeA Capital, we believe we can continue on the path of AUM growth, maintaining a unique and distinctive approach in Italy - in terms of skills, relationships and financial solidity - as well as exploiting the Platform's recent international expansion initiatives.

From the Shareholder's point of view, we intend to continue the policy of active remuneration of invested capital, while maintaining a solid capital structure.



**Lorenzo Pellicoli**  
Chairman



**Paolo Ceretti**  
Chief Executive Officer