

Letter from the CEO



José Luis Molina
CEO

Dear investors, partners, and friends of AltamarCAM,

As I write this letter I find it hard to speak about 2021, which was such an outstanding year for our firm, without addressing what has happened during the first semester of 2022. In effect, current geopolitical global events and the changes in many economic indicators have brought about a significant level of uncertainty.

However, my intention is to focus mainly on what has happened in 2021, while hereby reiterating our steadfast commitment to all our stakeholders to continue working very hard, as we have for almost 20 years, and to ensure that we remain at all times closely aligned with our investors, by investing our own capital side-by-side with you. Our discipline and investment philosophy remains centred on capital preservation and risk aversion, while always keeping our ESG focus across all aspects of our business.

Our experience over the last two decades indicates that it is particularly important during times of crisis and uncertainty to remain very focused and prudent, and also to remember that long-term investing in private markets tends to deliver significant outperformance, especially for those who have the vision to continue investing during these more uncertain times.



Focusing on 2021 – Excellent performance, continued growth, increased digitalization and enhanced technological development, successful integration between Altamar and CAM Alternatives, and ESG achievements.

Those are the top five concepts that marked 2021 for AltamarCAM.

Excellent Performance by our Funds in 2021. Despite the difficulties linked to the pandemic that remained throughout the year, as well as those related to the new reality coming from the rise of inflation, international instability, supply chain issues and the increase in commodity prices, **our Funds delivered outstanding absolute and relative returns across all asset classes.**

Continued Growth. Investments in Private Assets continued to grow in 2021, despite the global challenges, as the traditional 60/40 model kept losing ground against more modern asset allocation and portfolio construction models, which place Private Assets as a key investment strategy in investment portfolios around the world. AltamarCAM also participated successfully in that industry growth, as our diversified client base, made up of insurance companies, pension funds, financial institutions, family offices and private banking clients, also expanded throughout the year and now comprises more than 500 institutional clients and 10,000 direct non-institutional clients. 2021 saw close to €2.7 billion in additional commitments, bringing the total committed capital by our clients to around €17.0billion.

A significant part of our growth in 2021 came from our **Client Solutions** team, which designed new bespoke programmes for a total aggregate commitment close to €5 billion, catering to a selected number of insurance companies, family offices and private banks. We believe that the so-called Segregated Managed Account business or “SMAs” will be one of the largest contributors to our growth going forward.

Increased Digitalization and Enhanced Technological Development. During 2021 we also achieved significant progress on the technology front, as we added more capabilities to our IT platform. Our enhanced technological capabilities allow us not only to be more efficient and scalable, but also to be able to continuously improve our clients' experience and offer them a wider range of products and a more customised offering of investment programmes, as well as tailor-made services and solutions adapted to their individual needs. All of this is in service of a single goal: to become our clients' partners of choice. Investors are at the centre of everything we do.

AltamarCAM Integration. We are extremely happy to report that after the closing of the AltamarCAM combination we are now a fully integrated business and a much stronger firm. We are already seeing the benefits that come with being part of a more robust platform, which enables us to offer better capabilities and services to both our existing and new clients. Our most important asset, our team, continued to grow during 2021, while maintaining our strong value-based culture. We

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Investing in the future

1. Message from our management

are now more than 250 people, of which approximately 80 are investment professionals.

ESG Achievements. We are delighted to see continued progress on the ESG front, which, as most of you already know, is an integral part of our business mission and strategy. At AltamarCAM we firmly believe that ESG factors not only improve our performance and strengthen our relationship as a trusted advisor with our investors, but also improve our risk management capabilities and lead us to complement our product offering with new investment opportunities for our clients. The integration of ESG criteria in everything we do is an essential part of our culture, and for this reason we are working hard to continue to provide clear and transparent communication of our ESG goals, and to frequently report the progress and achievements made in this area. In addition, I would like to express my gratitude to the entire AltamarCAM Foundation team, and to all those who have participated in one way or another in one of the more than 15 initiatives that were carried out in 2021, directly benefitting 581 people. The AltamarCAM Foundation is making incredible progress year after year, and while we are still a relatively young and small foundation, we are all very proud of the positive impact we have made so far, and the prospect of making an even greater impact to society in the future.

In addition to these Top 5 concepts that marked 2021, we are also very proud that this year, for the third time in a row, we have won the Private Equity International Fund of Funds

Manager of the Year in EMEA award, and for the first time we also won the award of Firm of the Year in the Iberian Peninsula. Once again, we would like to express our gratitude to all the people who place their trust in AltamarCAM, especially in this uncertain environment.

Other 2021 highlights worth mentioning include the following:

Private Equity

- Very busy year with €1 billion in investment commitments and close to €1 billion received in distributions
- Record fund size: ACP Secondaries 4 FCR reached €1,025 billion of committed capital in December 2021, and as of mid-2022 is already 70%+ committed
- Successful launch of our new flagship PE fund (ACP PE 7 FCR)

Venture Capital – Galdana Ventures

- Outstanding valuation performance across all our VC programmes
- Our funds currently participate in around 30% of the world's technology unicorns, a strong indication of the quality of the portfolio and our managers
- Participating in most of the key disruptive technology themes: artificial intelligence, machine learning, blockchain, web-3.0, the metaverse, cybersecurity, identity management and climate-tech/clean-tech/energy-tech, encompassing



disruptive new technologies affecting renewables (hydrogen, fusion and energy storage)

Life Sciences

- Very promising progress in Alta Life-Sciences I portfolio companies, the fund's TVPI grew by 22% YoY
- First divestment as Sanifit was acquired by Vifor Pharma for an initial €205m valuation, which generated the first distribution of the fund
- Significant milestones achieved by Inbrain Neuroelectronics (co-development agreement with Merck KGaA), Accure Therapeutics (licensing agreement with Oculis giving it exclusive worldwide rights to develop and commercialise ACT-01), Mediktor (raised €11m to accelerate its international expansion and improve its medical triage tools), and Binx (raised a \$104m round led by OrbiMed and other new investors)

Real Assets

- Very strong performance (13% year on year appreciation on total value and 3% in distributions), on the back of the its perceived hedge against inflation

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- We sold 3 out of our 5 direct platforms distributing more than €430m to investors
- Currently launching our ACP Megatrends Sustainable Co-investments fund focused on investing in Infrastructure and Real Estate assets with an operational as well as a sustainability component

Private Credit

- Very diversified portfolio of ca. 900 loans demonstrating significant resilience in a volatile environment
- Strong performance (gross annual return of 6.62%, with a portfolio that has been "loss-free" since inception, where only 0.04% of loans have been restructured)

As I said in the beginning of this letter, I want to thank you all again for your ongoing trust and support over the last almost 20 years. Rest assured that we will continue to work hard to deliver solid risk-adjusted returns, maintaining our investment philosophy focused on capital preservation and risk aversion, and always keeping our ESG focus in all aspects of our business.

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