

Fondazione Cariplo: over €211 million given to nonprofits in 2008

The grants funded 1,260 projects in traditional program areas: environment, arts & culture, social services, scientific research, philanthropy and volunteer work. This morning, an additional €1 million grant was signed off by the Board of Directors to help the Abruzzi communities hit by the earthquake.

Milan, April 28, 2009 - Fondazione Cariplo's Steering Board (Commissione Centrale di Beneficenza) today approved the 2008 annual financial statements. For the year 2008, the Foundation reported an increase in net assets of €77.9 million. In 2008, Fondazione Cariplo awarded €211.6 million in grants to fund 1,260 projects across the main program areas identified by the Steering Board. This morning, the Board of Directors of the Foundation signed off an extraordinary €1 million grant to help the Abruzzi population hit by the earthquake. This grant will be contributed into an ad-hoc relief fund established by ACRI, the Association of Foundations of banking origin. The fund will be utilized for purposes that are going to be agreed upon jointly with the local *Cassa di Risparmio de L'Aquila* Foundation.



“2008 was a tough year” - said **Giuseppe Guzzetti, Fondazione Cariplo President** - “a year marked by the economic and financial crisis. To generate the financial resources we need for philanthropic grantmaking, our assets need be actively managed and they too were impacted by the crisis. To keep grants aligned with commitments, the Foundation decided to utilize part of the financial resources set aside in the grant stabilization reserve in prior years, for a total amount of €113.1 million”.

Article 9 of the Foundation Bylaws allows the utilization of the reserve above, in accordance with the guidance issued by the Ministry, to stabilize grantmaking and ensure program funding in times of financial crisis. After said utilization, the balance of the reserve is about €387 million, a level which ensures the Foundation can continue to make grants also in the event the financial crisis drags out.

In this respect, for the current year the Foundation confirms its grants will be around €200 million. If needed, the Foundation will use a further portion of the stabilization reserve.

Grantmaking in 2008

The analysis of grants made shows that financial resources earmarked for grantmaking have increased over the years from €155.8 million in 2005, to €164.5 million in 2006, €179.8 million in 2007 and up to €211.6 million in 2008.

Specifically, Fondazione Cariplo made:

- 175 grants for a total amount of €13.7 million to nonprofits in the Environment area
- 512 grants for a total amount of €55.5 million to nonprofits in the Arts & Culture area
- 149 grants for a total amount of €41.7 million in the Scientific Research area
- 330 grants for a total amount of €66.4 million in the Social Services area
- 79 grants for a total amount of €28.7 million in the Philanthropy and Volunteer Work area
- 15 grants for a total amount of €5.5 million in Other Areas.

Asset Management in 2008

In 2008 the rate of return on Fondazione Cariplo assets was about -20% (market prices).

The decline was essentially due to the dramatic fall in the market value of equity investments which at year end 2008 accounted for 33% of assets and were down 51%, only partly offset by the about €240 million dividends received (return above 6%).

At year end 2008, balanced funds and money market instruments accounted for 64% of the market value of assets. The rate of return on balanced funds was -3.69%, and on money market instruments +1.34%.

Market downturns, like the current one, have not impacted the sustainability of the Foundation's long-term objectives. In fact, average returns at market value earned since 1998 have enabled the Foundation to grant about €2.09 billion and increase the market value of assets from €6.18 billion to €6.48 billion.

This has been possible largely thanks to the Foundation's disciplined approach and the adoption of conservative principles - which were recently further tightened by the Steering Board - e.g. marking-to-market of off-balance sheet items, diversification of investments, stable asset allocation, assets largely managed by third-party specialists.

The Foundation has never invested in 'fashionable' financial instruments, such as structured notes, hedged funds or global private equity funds, nor did it ever hold derivative instruments for speculative purposes. For the management of its liquidity the Foundation relies on the multi-management platform 'Polaris'.

The Foundation has invested less than 5% of its assets in innovative instruments, which are mission-connected investments, such as Futura, Abitare Sociale 1, TT-Venture and F2I.

The financial statements will be available on the foundation website: www.fondazionecariplo.it

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