

AZIMUT AND MOFID SIGN A STRATEGIC ALLIANCE TO DEVELOP THE IRANIAN ASSET MANAGEMENT INDUSTRY

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Azimut Group (“**Azimut**”), one of Europe’s leading independent asset managers, signed today an agreement to acquire 20% of Mofid Entekhab (“**Entekhab**”), the largest independent asset management company of Iran, which is part of the Mofid Group, the largest brokerage firm and financial advisory in the Country. At the same time, Azimut and Mofid Securities have signed a shareholders agreement to develop an onshore financial advisory platform and establish an offshore fund enabling foreign investors to access Iranian capital markets. **Azimut is the first global financial institution entering with an equity investment into a company providing financial services licensed by the local regulator, SEO, in Iran.**

Entekhab, founded in 2016, is the carve out of the asset management business of Mofid Securities **with AUM of USD 89 million** at the end of September 2017 distributed **between 6 mutual funds and managed accounts**. **Mofid Securities is the market leader among Iranian brokerage companies** with more than **300,000 customers** and a **market share of approximately 7%** as of September 2017 among 107 brokerage firms. Entekhab has an 8% market share for equity funds and is the largest independent asset management company in Iran.

The Islamic Republic of Iran is the second largest economy in the Middle East with an 80 million population and a GDP-PPP adjusted of USD 1.5 trillion as of 2016 (18th world’s largest). After the lifting of international sanctions in 2016, Iran is expected to grow above 4% per annum through 2020.

Iran is one of a kind opportunity for global asset management companies being underpinned by: (i) strong demographics (60% population below 30 years) including an educated population (58% enrolment ratio at local universities) with a high degree of urbanization (74% of population living in cities), (ii) high GDP-PPP adjusted per capita (USD 17,000 at par with Brazil and South Africa), (iii) low capitalization of the economy (equity market account 8% of GDP versus 29% in Turkey and 44% in Brazil), (iv) structural limitations for local banks to raise capital through local deposits and (v) high entry barrier for foreign investors. The progressive integration of Iranian banking institutions within the global banking system is expected to underpin material FDIs (currently below 0.5% of GDP versus approximately 2.0% in Turkey and 4.0% in Brazil) which will support the Country’s long term economic growth.

Azimut, through **AZ International Holdings S.A.** will purchase from Mofid Securities **20% of Entekhab** while Mofid Group will be remaining majority shareholder. Azimut and Mofid will also participate pro rata to a capital increase to finance the business plan to **develop a range of investment strategies in local asset classes, to build a local trained sales force** providing financial advisory and wealth management services and **launch offshore funds for foreign investors.**

The parties have ensured that the partnership will be compliant with economic sanctions requirements.

Hamid Azaraksh, Chairman of Mofid Securities, comments: *“Mofid’s long standing vision has been targeting value creation for its clients upon a financial services platform acting as a leader in Iranian capital markets. Our strategic goal is now to capitalize on our track record as the leading financial intermediary in Iran and create with Azimut a benchmark for the local asset management industry. The challenging goals set for our partnership carries along the benefits of Azimut’s know-how and the benefit of our clients who will be able to access a new suite of financial advisory and wealth management services in line with the highest international standards”.*

Sergio Albarelli, CEO of Azimut Holding, comments: *“Today we are making a historical first step for a global player entering the Iranian financial market. We see the Group to pioneer the untapped opportunities of a frontier market which has in fact the full credentials of a large advanced emerging market. Mofid adds to its undisputable market leadership a multi decade reputation in brokerage and asset management services, sharing a common base with Azimut core values of independence and commitment to performance. We look forward to leveraging this partnership to jointly add value to local and international clients”.*

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Azimut is Italy’s leading independent asset manager (active since 1989). The Parent Company Azimut Holding was listed on the Italian stock exchange on 7 July 2004 (AZM.MI) and, among others, is a member of the main Italian index FTSE MIB and of the Eurostoxx 600. The shareholder structure includes over 1,400 managers, employees and financial advisors, bound by a shareholders’ agreement that controls over 15% of the company. The remaining is free float. The Group comprises various companies active in the sale, management and distribution of financial and insurance products, with Registered Offices in Italy, Luxembourg, Ireland, China (Hong Kong and Shanghai), Monaco, Switzerland, Taiwan, Brazil, Singapore, Mexico, Australia, Chile, USA, UAE and Turkey. In Italy, Azimut Capital Management SGR sells and manages Italian mutual funds, Italian alternative investment funds, as well as being active in the discretionary management of individual investment portfolios. Furthermore, Azimut Capital Management SGR, following the demerger by incorporation of Azimut Consulenza SIM, distributes Group and third party products in Italy via a network of financial advisors while Azimut Global Counseling provides consulting services. Overseas main operations are AZ Fund Management SA (founded in Luxembourg in 1999), which manages the multi strategy funds AZ Fund 1 and AZ Multi Asset and the Irish AZ Life DAC, which offers life insurance products.

Mofid Securities is a leading privately-owned investment advisory and the largest full service stock brokerage firm in Iran that was established in 1994 by Mr. Hamid Azaraksh. Mofid manages several expanding funds and managed accounts in Mofid Entekhab servicing local and international clients. In addition, Mofid Idea provides advisory service for both investors and issuers in the market as well as private companies. Pouya finance, another company of the group, provides real-time market data along with processed financial data for analysts and investors. The group currently has more than 280 employees including more than 40 branches in 38 major cities throughout Iran.