

## PRESS RELEASE

### Azimut pioneers Egyptian equity UCITS fund to tap rising emerging markets star

- *Enabling access to one of the most attractive stories in emerging markets*
- *Targeting USD 50 mn in assets under management (AUM)*

**Milan/Dubai, 01 July 2020** – In launching Egypt’s first equity UCITS fund, Azimut Egypt Asset Management (“Azimut Egypt”), one of the largest independent asset managers in the country, is giving investors in the region an opportunity to access one of the most attractive emerging markets globally.

Wholly-owned by Azimut Group (“Azimut”), one of Europe’s leading independent asset managers, Azimut Egypt expects the fund – “AZ Equity-Egypt” – to benefit from the blend of the country’s consistent GDP growth, which is driving corporate earnings, and its economic reform programme, expected to boost private sector participation. Further, the fund can capitalize on local price inefficiency and access to companies trading at a discount to peers.

“We are proud to launch the first Egyptian equity UCITS fund domiciled in Luxembourg,” said Ahmed Abou El Saad, CFA, Managing Director of Azimut Egypt. “This offers new access for Egyptian expats and other investors in the GCC, as well as an efficient vehicle for European investors to get exposure to a rising economic star.”

Giorgio Medda, Group Co-CEO and Global Head of Asset Management at Azimut, added: “Azimut continues to deliver on the growth plan in MENA, with the aim to broadcast the region’s thriving economies. The first Egypt focused fund ever launched internationally is yet another testament of our ongoing commitment and highlights the significance of our global expertise being based upon strong local investment teams. The AZ Equity Egypt fund will benefit from the synergies between our teams in Cairo, Abu Dhabi and Dubai, while being accessible globally thanks to our UCITS platform in Luxembourg”.

#### **Impressive growth story**

Egypt’s economic trajectory supports the decision to launch this fund regardless of the pandemic. In line with its three-year economic reform programme in conjunction with the IMF, Egypt adopted a set of monetary and fiscal reforms that have helped stimulate growth, generate a solid primary budget surplus, reduce the debt-to-GDP ratio and replenish foreign reserves. In addition, key legislative reforms to improve the business environment have reflected positively on the country’s sovereign ratings. Real GDP growth increased to 5.6% in the fiscal year 2019 (ending June 30, 2019), compared with an average of 4.6% in the previous three years.

“Egypt is one of the most attractive stories in the emerging markets universe,” added Ahmed. “Moreover, and despite the COVID-19 repercussions, Egypt’s economy is likely to be the only one in the MENA region to record positive GDP growth in 2020, as per IMF projections.”

#### **Getting a trading edge**

Despite this backdrop, Egypt’s stock market is yet to capture the benefits of the transformation, reflected in attractive valuations for publicly-listed equities – P/E 9-10x vs. 15-16x for emerging markets overall. This is drawing increasing interest from foreign investors, who see opportunities over a medium- to long-term investment horizon, which allows sectors to fully benefit from the structural growth potential of the underlying stocks.

With this in mind, AZ Equity-Egypt is a high-conviction portfolio of 20 to 30 stocks, benefiting from the mix of best-practice international research and analysis, plus on-the-ground insights from an experienced local team of over 10 professionals, with an average 12 years’ industry experience.

Medda said AZ Equity-Egypt is targeting USD 50 mn in AUM as a first stage. By comparison, competing Egyptian equity funds have a limited asset base – for example, there are roughly only 30 local funds with a combined AUM below USD 150 mn – and they are difficult for foreign investors to access.

### About Azimut

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. The shareholder structure includes over 1,900 managers, employees and financial advisors, bound by a shareholders' agreement that controls c. 21% 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 mainly in Italy, Luxembourg, Ireland, China (Hong Kong and Shanghai), Monaco, Switzerland, Taiwan, Brazil, Egypt, 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 Libera Impresa focuses on the Alternatives business. Overseas main operations are Azimut Investments SA (formerly AZ Fund Management 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.

[www.azimut-group.com](http://www.azimut-group.com)

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