

PRESS RELEASE

AZIMUT AND ALFALAH INVESTMENTS SIGN A STRATEGIC PARTNERSHIP TO PROVIDE ACCESS TO PAKISTAN EQUITY MARKETS WITH A UCITS FUND

***New fund is based on star performer Alfalah GHP Stock Fund**

***One of very few UCITS funds focusing on Pakistan**

***Initiative is part of Azimut's plans to develop its operation in the DIFC for the MENA and South Asia regions**

Milan/Karachi, 13 November 2017

Azimut Group ("**Azimut**"), Europe's leading independent asset manager with over US\$57bn in assets under management across 17 countries and Alfalah GHP Investment Management Limited ("**Alfalah Investments**"), a prominent Pakistan asset manager, have signed a strategic partnership agreement to jointly launch an international equity fund focused exclusively on Pakistan's stock market.

This equity fund, branded as AZ – Alfalah Pakistan Equity Fund (the "**Fund**") will capitalize on the track record of Alfalah GHP Stock Fund, one of the best performing local equity funds over the last decade. The Fund will be established by AZ Fund Management S.A., Azimut's Luxembourg fund Management Company, within its UCITS umbrella fund.

The strategic partnership also aims to explore further joint marketing and commercial initiatives in Pakistan and the MENA region with a view to bringing Pakistan's lucrative investment story to investors globally.

Alfalah Investments' key shareholders are Bank Alfalah (40%), one of the largest banks in Pakistan with a network of over 600 branches and MAB investments (42%), which is one of the investment companies of HH Sheikh Nahayan bin Mubarak Al Nahayan, a member of the Abu Dhabi Ruling Family.

Alfalah Investment is the seventh largest asset management company in Pakistan with USD 471 million AUM as of September 30, 2017 and a 7% market share. The Pakistani asset management industry has grown fourfold since 2009 to the current AUM of USD 6.1 billion (2.0% of GDP), also benefiting from the Country's underlying growth accompanied by low interest rates and stable currency.

The Alfalah GHP Stock Fund ("**AGSF**") is the flagship equity Fund of Alfalah Investments with a track record since 2008, and a cumulative return of 440% in USD since inception versus 152% in USD of KSE100 and [0.4%] of MSCI EM/FM Index.

Alfalah Investments' investment approach for AGSF is based on an active management strategy and combines top down and bottom up research analysis with a bias for value investing. AGSF is not constrained by index weights although it seeks strict limits in terms of concentration to stocks (10% maximum), conglomerates (35% maximum) and sectors (30% maximum) and it invests only in publicly listed companies.

The memorandum of understanding signed by the two Companies has various areas of strategic cooperation including the establishment of a joint investment committee between Luxembourg and Karachi to provide research and advisory for the Fund, launch of joint commercial initiatives with Alfalah Investments to cater to demand of global investors through Azimut's existing client relationships and widen the international distribution network of the Fund including third party channels. The two companies also intend to explore a cooperation scheme to leverage Azimut's investment expertise in the management of global sukuk portfolio in Pakistan and assess other future strategic cooperation initiatives to bring a suite of wealth management services focused on Pakistan for global investors and those in the MENA region. The final agreement is subject to legal and regulatory approvals.

Alfalah Investments CEO, Maheen Rahman states: *"We are proud to bring Pakistan's growth story to the global investing community. Our vision is to bring international capital into Pakistan via a transparent, well regulated, well known international Fund structure. Pakistan, beyond its borders, remains an enigma for much of the world's investors. However the country also presents a compelling investment case; Economic growth is taking off on the basis of economic reform, fiscal consolidation, favorable demographics and portentous geography/geo-politics.*

Our partnership with Azimut offers the global investing community a chance to partake in this rising economic prosperity by bringing together the potent combination of our expertise in local markets and Azimut's significant investment and fund capabilities and distribution network in emerging and developed markets.. The outreach of the Azimut Group when combined with the expertise of Alfalah Investments in the Pakistan market would unlock synergies, which we understand have never before materialised on such a scale."

Sergio Albarelli, CEO of Azimut Holding, comments: *"The strategic partnership with Alfalah Investments is a testament to Azimut's foresight on providing global investors access to new markets through AZ Fund, its UCITS platform in Luxembourg. Following our recent announcement on the launch of a MENA equity fund, this is one of the very first Pakistan focused funds offered by a global asset manager. It is a further progress in our plans to establish and develop a unique fund management range in the wide Middle Eastern and neighboring Southern Asia region.*

Our strategy in the region deepens further by leveraging our integrated asset management platform in the Dubai International Financial Center (DIFC) thus adding solutions aiming to create value for our clients through unique products solutions for globally diversified portfolios. Alfalah Investments' dynamism and focus on performance is a common ground with Azimut to build on a unique story of growth amongst the undercapitalized emerging and frontier markets along the benefits of locally based investment capabilities with active investment management grassroots".

SIDEBAR: The Investment Case for Pakistan

Pakistan with a population of more than 220 million is the sixth most populous country in the world (3% of the total, in line with Indonesia and Brazil) and despite a GDP growth rate above 4% since 2013 still has a negligible contribution to the world GDP (0.4% of the total versus Indonesia's 1.2% and Brazil's 2.5%). In fact, Pakistan's growth is expected by the IMF to accelerate above 5.5% annually through to 2021 as macroeconomic gains crystallize from prudent monetary and fiscal policies altogether with a stabilization of internal politics and further progress on internal security. We regard Pakistan as a high growth market with strong economic potential.

The investment case of Pakistan - which since June 2017 has MSCI Emerging Market status – offers a number of positives. A young population, high levels of consumption and investment and stable macro indicators all point to an untapped source of multi-generational organic economic growth. Additionally, the progressive conversion of Pakistan from a remittance-based economy to a capital expansion driven economy will benefit from the pay out in the execution of the multi-billion dollar China Pakistan Economic Corridor which will provide key transport, trade and energy access and infrastructure (roads, railways and ports) in China's One Belt One Road / Maritime Silk Road initiative.

Valuations in Pakistan's market have become more attractive following the fall in the stockmarket through the first nine months of 2017

About Azimut Group

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, Iran 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.

About Alfalah Investments

Alfalah Investments is the asset management arm of the Alfalah Group and is a leading asset manager in Pakistan with 7% market share in the private sector. The company is licensed by the Securities and Exchange Commission of Pakistan and manages USD460mn in mutual funds, investment advisory and pension funds. The company has a demonstrated track record of 12 years (since 2005) of managing listed equities, fixed income and other asset classes. Assets under management have grown exponentially on the back of strong performance and new fund launches with an average annual CAGR of 160% in the last five years alone. The Alfalah Group comprises a wide breadth of financial services including commercial banking, insurance, asset management and brokerage. Alfalah Investments is owned jointly by Bank Alfalah and MAB Investments, the investing arm of HH Shaikh Nahayan bin Mubarak Al Nahayan of Abu Dhabi as part of their portfolio of investments in Pakistan.

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