

## PRESS RELEASE

### **Azimut signs a milestone transaction in the US Asset Management space with a strategic investment in Kennedy Capital Management, leader in US Small and Mid Cap Equities**

*Milan, November 15, 2022*

**Azimut Group** (“Azimut” or the “Group”), one of Europe’s largest independent asset managers, through its subsidiary Azimut US Holdings, **signed today an agreement to acquire a 35% stake in Kennedy Capital Management Inc. (“KCM”), an independent asset manager specializing in small and mid cap US equities.** KCM is led by senior portfolio managers and analysts with a long track record in US equities and serves mostly institutional and HNW clients.

Formed in 1980 and headquartered in St. Louis, Missouri, **KCM is a prominent boutique investment firm** focused on generating superior returns in the **small and mid-cap US domestic equity** markets for its clients. The team’s top priority is working for institutions and high-net-worth individuals, fostering an entrepreneurial culture that results in mutually beneficial long-term relationships. **KCM currently manages \$3.6 billion in total AUM**, and its **largest three strategies include Extended Small Cap, Small Cap Value, and Micro Cap**, each of which **rank in 1<sup>st</sup> and 2<sup>nd</sup> Quartiles of their peer groups** over the most recent 3-year performance period and **averaged more than 200 basis points per year of outperformance net of fees during the same period.** **The same top three strategies generated more than 1,000 basis points of outperformance** each during 2021. **Substantially all 14 products managed by KCM outperformed their respective benchmarks in a 3-Y and 5-Y period.**

The cornerstone of its investment approach is a highly analytical, repeatable process based on a rigorous, bottom-up fundamental search for stock ideas developed by its founders more than four decades ago. The firm is also **focused on ESG** where it recently announced that its **ESG SMID Cap Fund has received an initial 5-Star overall Morningstar Rating, and its three-year performance ranks in the top 7% against 576 funds in Morningstar’s Small Blend Category.**

KCM is led by CEO Donald Cobin, CFA; CIO Frank Latuda, Jr., CFA; and Director of Research, Jean Barnard, CFA. Mr. Cobin joined KCM in 2007 and has served as a portfolio manager for more than 15 years and CEO since 2018. He began his investment career in 1993 and held senior roles at Matador Capital Management and Delaware Investments before joining KCM. Mr. Latuda, who began his investment career in 1992, first served as an analyst with Burns, Pauli, Mahoney Company. He has held many roles since joining KCM in 1997, including equity analyst, portfolio manager, director of research, and chief investment officer. Ms. Barnard began her career at Janus Capital in 1992, rising to the role of Co-Portfolio Manager of the Janus Classic Growth Strategy. Since joining KCM in 2018, she has held the roles of director of research and portfolio manager.

As a result of this partnership, **Azimut is now operating in the United States** in its **three main business divisions: Private Markets** through Azimut Alternative Capital Partners, whose five affiliates now manage over **\$16 billion in AUM; Wealth Management** through Sanctuary Wealth, Azimut Genesis and AZ Apice, whose total assets are now almost **\$ 25 billion**, and **traditional Asset Management** with today’s partnership announcement.

Subject to customary closing conditions, Azimut, through Azimut US Holdings Inc., will purchase 35% of KCM’s equity capital, with the remaining stake continuing to be widely held by existing KCM employees. Azimut will have the option to increase its stake to a majority interest over time through certain call/put options. The parties have also agreed to work together to grow the business in the long term through a mutually agreed 10-year business plan.

**Giorgio Medda**, CEO and Global Head of Asset Management & Fintech, comments: *“The partnership with KCM allows Azimut Group to **integrate best-in-class small and mid cap US public market strategies** (including companies with a market cap of up to \$15bn) into its global asset management platform, thus complementing*

*its broad offering of traditional and alternative solutions. Our global clients will benefit from **KCM's investment capabilities** that have an **exceptional track record across many time horizons**. KCM's investment process is also **characterized by an inclusion of ESG principles**, representing a strong differentiation vis-à-vis peers specializing on the Small and Mid cap space. We are really excited to realize an industrial growth path over the long term together with Don, Frank, Jean and the rest of the KCM team, with whom we share a strong passion for active asset management and the same **focus on generating performance for our clients**.”*

**Don Cobin**, President & CEO of Kennedy Capital Management, says: *“Our institutional and retail clients lie at the heart of every decision we make. This perspective is engrained in KCM’s DNA, and we believe the extensive global resources of Azimut will enhance our ability to deliver performance and serve clients. We enthusiastically look forward to leveraging the combined strengths of our organizations and collaborating with such a high quality, globally recognized institution. Azimut’s strong reputation and reach across continents provides a ballast to our U.S. equity-centric business.”*

Berkshire Global Advisors served as financial advisor and Goodwin Procter LLP served as legal advisor to Kennedy Capital Management. Latham & Watkins LLP served as legal advisor to Azimut.

Note: performance data refer to Morningstar and eVestment. Past performance is no guarantee of future results. This press release shall not constitute an offer to sell or a solicitation to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer or solicitation or sale would be unlawful prior to registration or qualification under the laws of such state or jurisdiction.

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**Azimut** is one of Europe's leading independent groups active (since 1989) in the asset management sector. The parent company Azimut Holding was listed on the Italian stock exchange on 7 July 2004 (AZM.MI) and is a member, among others, 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 ca. 22% 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, Australia, Brazil, Chile, China (Hong Kong and Shanghai), Egypt, Ireland, Luxembourg, Mexico, Monaco, Portugal, Singapore, Switzerland, Taiwan, Turkey, UAE and USA. 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 distributes Group and third-party products in Italy via a network of financial advisors while Azimut Libera Impresa focuses on the alternatives business. The main foreign companies are Azimut Investments SA (founded in Luxembourg in 1999), which manages the multi strategy funds AZ Fund 1 and AZ Multi Asset, and the Irish Azimut Life DAC, which offers life insurance products.

**KCM**, founded in 1980 in St. Louis, delivers investment strategies to corporate and public pension funds, endowments, foundations, multi-employer plans and high-net-worth individuals. As a registered investment adviser, KCM specializes in the management of small and mid-cap strategies across the growth-value spectrum and as of September 30, 2022, managed \$3.6 billion in assets. KCM integrates environmental, social and governance (ESG) considerations into its research process and has nearly 20 years’ experience managing socially-responsible client accounts.

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