



Press Release

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InvestEU: EIF and Azimut Investments launch new senior private credit fund to promote climate action in Italy

- **The EIF has signed a €30 million commitment as a cornerstone investor.**
- **At least 30% of the underlying investments will work towards climate action and environmental sustainability goals. The EIF commitment is backed by InvestEU, an EU programme aiming to mobilise at least €372 billion in investments for EU policy priorities by 2027.**

The European Investment Fund (EIF), backed by the InvestEU programme, announced its €30 million commitment as a cornerstone investor at the first closing of Azimut Diversified Corporate Credit ESG-8 SCSp RAIF. The fund will be managed by a dedicated team within Azimut Investments SA, with a maximum target size of €500 million by 2024.

The fund is classified as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR), an EU regulation designed to enhance transparency in sustainability matters for financial entities. An Article 8 fund promotes environmental and/or social characteristics.

The fund will be launched by the third quarter of 2023. It will provide Italian companies, primarily small and medium-sized enterprises (SMEs) and small mid-cap companies, with medium to long-term debt to finance their investment and growth plans. The fund plans to offer investors steady returns and risk diversification through a portfolio of at least 50 companies.

The fund's focus is in line with the priorities of InvestEU and the EIF, as it aims to promote and improve environmental and social aspects of the borrowers, such as increased energy efficiency, the transition towards a circular economy, gender equality, and the development of local communities. At least 30% of the underlying investments will promote climate action and environmental sustainability and over 40% of the fund's investment committee will be made up of women.

To incentivise sustainable investments, the fund's performance fee will be linked to two environmental and social targets (or KPIs): the net-zero transition target, as measured by a 5% average reduction of carbon and greenhouse gas emissions per year, and the continuous strive for gender equality, as quantified by a maximum gender pay gap of 5%, in line with the pay transparency directive recently approved by the European Parliament.

EIF Chair Gelsomina Vigliotti said: "We are delighted to participate as a cornerstone investor in Azimut Diversified Corporate Credit ESG-8, a fund that targets some of the key priorities of the EIF and InvestEU, including sustainability and gender inclusion."

European Commissioner for the Economy Paolo Gentiloni said: "InvestEU plays a vital role by facilitating financing access for small and medium-sized companies, enabling them to innovate, expand and create jobs. With this agreement, we are delighted to support businesses to unlock their full potential in this regard and contribute to Italy's green transition."

Giorgio Medda, Chief Executive Officer Of Azimut And Global Head Of Asset Management And Fintech, said: "Azimut is reaffirming its leadership in building alternative financial solutions that cater to SMEs in Italy and that are embedded in innovative private debt investment strategies. We are delighted that an institutional investor of the calibre of the European Investment Fund has decided to support one of the first diversified credit funds from an independent asset manager focused on Italian SMEs with an ESG profile."

Background information

The **European Investment Fund (EIF)** is a financial institution that is part of the European Investment Bank Group (EIB Group). Its main mission is to support European micro, small and medium-sized enterprises (SMEs) by supporting their access to finance and venture capital. The EIF is also active in supporting climate and infrastructure fund investments with a strong focus on environmental sustainability. In this role, the EIF pursues the objectives of the European Union to support innovation, research and development, entrepreneurship, growth and employment.

The InvestEU programme provides the European Union with crucial long-term funding by leveraging substantial private and public funds in support of a sustainable recovery. It also helps mobilise private investments for the European Union's policy priorities, such as the European Green Deal and the digital transition. The InvestEU programme brings together under one roof the multitude of EU financial instruments currently available to support investment in the European Union, making funding for investment projects in Europe simpler, more efficient and more flexible. The programme consists of three components: the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal. The InvestEU Fund is implemented through financial partners that will invest in projects using the EU budget guarantee of €26.2 billion. The entire budget guarantee will back the investment projects of the implementing partners, increase their risk-bearing capacity and thus mobilise at least €372 billion in additional investment.

Azimut is an independent global group in the asset management, wealth management, investment banking and fintech space, serving private and corporate clients. A public company listed on the Milan Stock Exchange (AZM.IM), the group is a leader in Italy and active in 18 countries around the world, with a focus on emerging markets. The shareholder structure includes over 1 900 managers, employees and financial advisors bound by a shareholders' agreement that controls approximately 22% of the company. The remaining shares are 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, the United Arab Emirates and the United States. In Italy, Azimut Capital Management SGR sells and manages Italian mutual funds and Italian alternative investment funds, and is also 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.

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