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Phoenix Holdings and investment arm Phoenix Investment House announce the purchase of asset management activities with NIS 25 billion under management

Phoenix Holdings Ltd., a leading Israel-based financial, insurance, and investment group (TASE: PHOE) (“The Phoenix”, the “Group”, or the “Company”), together with its asset management arm Phoenix Investment House (formerly “Excellence Investment House”), today reported that they have entered into an agreement to purchase selected activities from Psagot Investment House.

Avner Haddad, CEO of Phoenix Investment House commented: “The acquisition of these selected asset management activities is part of the Group’s growth strategy of creating value from acquisitions of highly synergetic businesses that can benefit from the competitive advantage of our “Kesem” brand in the Israeli mutual fund market. Psagot’s clients will join the hundreds of thousands of clients of market leader Phoenix Investment House and benefit from the strength of the Group, its investment management capabilities, and the broad financial services that it offers.”

The asset management activities purchased represent NIS 25 billion in assets under management, including passive mutual funds, actively managed mutual funds, and discretionary portfolios. The timing of the transaction and the speed with which it was negotiated reflect the ability of Phoenix Investment House to quickly integrate asset management activities and provide excellent service to hundreds of thousands of private customers and financial advisors across a broad set of products and services. Moreover, it reflects the strength and dynamic capabilities of the Phoenix in identifying and capturing opportunities stemming from changing market trends. The funds that will be purchased from Psagot will be merged into existing “Kesem” funds, while the discretionary portfolio activities will be integrated into the portfolio management business of the Phoenix Investment House.

The purchase of Psagot’s activities is an additional step in the growth strategy of the Phoenix Investment House and of Phoenix Holdings to expand asset management activities inorganically as well as organically. The Phoenix has distinctive competitive advantages in investment management for clients across all investment and retirement solutions in the Israeli market, and this acquisition reflects the ability to create significant value through synergies by merging asset management activities into the investment house. Furthermore, it supports the Group’s strategy to create value for its shareholders by building attractive businesses with high returns on equity across the Group’s activities, including via acquisitions.

The acquisition further establishes the Phoenix Investment House as a market leader, expands its capabilities across core activities, and strengthens its value proposition for clients and investment advisors.

About Phoenix Holdings

Phoenix Holdings is a leading Israel-based financial, insurance, and investment group traded on the Tel Aviv Stock Exchange (TASE: PHOE). Group activities include multi-line insurance, investment and asset management, credit, and financial product distribution, and have demonstrated strong growth and performance across the cycle. The Phoenix serves a significant portion of Israeli households with a broad set of activities and solutions across businesses and client segments. Managing over \$100 billion in assets, the Phoenix accesses Israel's vibrant and innovative economic activity through a robust investment portfolio, creating value for both clients and shareholders.

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