

Final Close, A New Beginning

Stockholm (HedgeNordic) – Finnish asset manager Evli announced the completion of the final closing of Evli Infrastructure Fund I, a fund of funds investing in a select group of infrastructure funds globally. The last closing brought the fund's size to €154.7 million, with the asset manager now eyeing the launch of a second infrastructure fund next year.

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Finnish pension funds, non-profit foundations, unions and associations, and high net worth individuals have shown strong interest in infrastructure and Evli's fund of infrastructure funds in particular. "I believe that this strong interest is driven by the increased need of our clients to diversify their investment portfolios, and also by the uncertainty brought by the coronavirus pandemic," comments Richard Wanamo, Portfolio Manager of the Evli Infrastructure Fund. "Infrastructure is an asset class that has been less affected by the current global environment – as a defensive real asset class, it offers steady and predictable returns through the economic cycles and has a low correlation with other asset classes."

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The Finnish asset manager mostly relies on a fund-of-funds approach to invest in private equity, private credit, infrastructure and timberland. "Investors should get sufficiently broad and diversified, but also balanced exposure to a given asset class," Wanamo previously explained the rationale behind Evli's fund-of-funds approach. "Industry data shows that funds of funds typically exhibit a much narrower band of outcomes and lower discrepancy in returns. The risk on a fund-of-fund level is much smaller than if you invest in a direct fund."

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"In general, infrastructure companies provide critical services to society, which means they have a protected competitive position," says Wanamo, who joined Evli in November 2019 to lead Evli's infrastructure funds. "They generate stable and strong annual cash flows – which is particularly attractive in a low interest rate environment." Evli Infrastructure Fund I aims to diversify its portfolio globally by investing into around eight carefully selected infrastructure funds, reflecting a portfolio of 100 target companies.

The target funds invest in businesses focused on the operation and development of civic infrastructure, such as telecommunications, utilities, transport and social infrastructure. Evli Infrastructure Fund I has already made investment commitments to five infrastructure funds that invest in different types of infrastructure projects both in Europe and globally. Evli intends to open a follow-on fund for Evli Infrastructure Fund I with the same investment strategy in 2022 after the first fund has made its final investment commitments.

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“Our aim is to create added value for our clients through fund selection, which would not be possible without the experience of Wanamo and Evli’s more than 20-strong alternative investment portfolio management team and their excellent network in the target markets of the funds,” says Tero Tuominen, Managing Director at Evli Fund Management Company. “A reliable, established, and experienced player like Evli is an important support for investors. It enables access to the funds of the best performing managers.”