

Mandatum aims to grow in alternatives with a new AM spinoff - targets growth in Europe

Finnish life insurer Mandatum recently announced plans to launch a separate asset management spinoff targeting professional investors across Europe. Mandatum Group CEO Petri Niemisvirta comments on the upcoming company's plans to AMWatch.



Petri Niemisvirta, CEO, Mandatum Group. | Photo: Mandatum PR.

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Finland's life insurer Mandatum is launching this year a asset management company, which plans to grow particularly through new alternative investment vehicles, Mandatum Group CEO Petri Niemisvirta says in an interview with AMWatch.

"In Central Europe and especially in the Nordic region, our aim is to target institutional clients and professional investors through external distributors or our own sales team," Niemisvirta says.

"Our small team of two people has already raised billions in commitments in alternatives including private debt, private equity and real estate in the past few years from Denmark and Sweden where our customers are family offices, institutional investors and pension funds. This is the segment we will want to grow further," he adds.

Mandatum Life is part of Sampo Group. The group is made up of the parent company Sampo plc and its subsidiaries Mandatum Life, If P&C, Hastings and Topdanmark.

Merging two portfolio management teams

The company, which Niemisvirta expects to have gained regulatory approval and be up and running by the end of the summer, will be a merger of Sampo Group's two existing portfolio management organizations: the investment services operations of Mandatum Life as well as the investment team of Sampo Oy, led by Head of Allocation Ville Talasmäki, who will now become the CIO of the new entity.

Sampo Group's investment assets at the end of 2020 stood at EUR 22.6bn, while Mandatum Life managed EUR 6.3bn in customer assets.

"These two teams have been cooperating already for years, and that cooperation has been increasing year by year, but now cooperation will become watertight and work under the same leadership," Niemisvirta says.

The company will have approximately 100 employees, but once product range expands new hires are likely. The new asset management unit's CEO will be Lauri Vaittinen, who is currently senior vice president of Investment Solutions at Mandatum Life.

Focus on alternatives

Niemisvirta notes that in the initial stage the company will focus on asset and wealth management.

"Historically, we have been particularly strong in alternatives and fixed income investments, but now, above all we will be focusing on alternatives," he says, and continues:

In Sweden and Denmark our strength has been corporate loans, private equity and private debt investments where we have a historical track record and which we can turn into investment products also for others and not just for Sampo Group itself."

Acquisition could also happen

Niemisvirta remains tight-lipped about the medium-term growth targets of the new company but notes that growth will most likely be simply organic growth.

"Setting up the firm is a move which will incur costs. This ongoing year will be a year of launching the firm and developing it, but it would be too early to expect any large developments. Whilst this year will be a business as usual year, 2022 is likely to be the time for growth," he says.

Could Mandatum Asset Management consider growing its business through an acquisition later?

"We've always had the take on this matter that if we find a good option for an acquisition we can do it. But by default, we are not a firm which is active in acquisitions," he says, and adds:

"However, in case attractive opportunities for an acquisition come by, we can have a look at them. So our focus is on organic growth, but we do not exclude the possibility of acquiring a smaller business."

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