

Hybrid renewables-digital fund halfway to target

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The hybrid renewable/digital strategy of an Italian asset manager is halfway to target with €250 million (\$285m) raised to date.

[Green Arrow Infrastructure of the Future](#) (GAIF) fund will hold quarterly rolling closings until it reaches its €500 million target in H2 2023.

The fund has about 10 investors and expects to double that number at final close. Investors comprise pensions funds, insurance companies and other institutional investors.

GAIF expects to close another major investment in Spain by the end of H2, and a further greenfield renewables investment in Italy which will add a further 50MW of capacity to the portfolio.

Green Arrow will in June launch operations at an energy storage project in Paris on behalf of the fund.

This is in addition to recently-announced deals including:

- portfolio of 4 hydroelectric assets in Lombardy and Emilia-Romagna
- portfolio of ready-to-build [solar PV plants in Spain](#) with an overall expected capacity of 508MW

So far €200 million has been allocated to 8 projects, with half of that deployed in equity and the remainder on a debt or project finance basis.

The investment strategy of the fund is a diversified yield strategy targeting stable cash returns (renewables), and higher dividends (EV charging and digital). It pursues a value-chain investment approach to identify and unlock additional value (generation / storage / distribution).

Its regional focus is predominantly European renewable energy generation, with a particular focus on Italy, Spain, Portugal and France.

Sector breakdown for the fund is as follows:

- renewables (ready to build) – 35-50%
- renewables (brownfield) – 15-25%
- energy storage – 10-20%
- EV charging – 15-30%
- digital infrastructure – 5-15%

Project returns for the 15+1 year fund cover net annual dividend at 7-8% from year 3 onwards and net IRR of 10%+.

The investment period covers 5 years.

The GP commitment is 1% of investor commitments up to €2 million.

Management fees are:

- 1.5% of capital commitments during the investment period
- 1.25% on capital invested after the investment period

GAIF is headed up by chief executive and founder Eugenio de Balsio.

Meanwhile Green Arrow Capital, with assets of around €1.8 billion, is this year planning the fourth iteration of its private equity strategy with a €400 million target.

It is also planning later this year to launch its latest microfinancing strategy geared towards emerging markets and backed by development institutions. It has a €150 million target.

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