

Lala launches Evolve Funds with four actively managed ETFs

<http://www.investmentexecutive.com/EvolveFunds>

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Financial services sector veteran Raj Lala has resurfaced with a new firm that's introducing a new family of ETFs after keeping a low profile since leaving a brief posting as head of Toronto-based WisdomTree Asset Management Canada Inc. last autumn.

Evolve Funds Group Inc. of Toronto, which was incorporated last November, has filed a preliminary prospectus for the launch of four actively managed ETFs: Evolve Active Canadian Preferred Share ETF, Evolve Active Floating Rate Loan ETF, Evolve Active Short Duration Bond ETF and Evolve Active US Core ETF. All but the preferred share ETF are available in currency-hedged and unhedged versions.

"I believe there's a place for active and passive ETFs in client portfolios," said Lala, president and CEO of Evolve, in a statement. "There are a number of market segments that merit good active management with potential to generate better risk-adjusted returns."

A few subadvisors — including Minneapolis-based Nuveen Asset Management LLC, New York-based Credit Suisse Asset Management LLC and Toronto-based Foyston, Gordon and Payne Inc. — will manage the ETFs.

"We've identified best-in-class managers for specific ETF asset classes," Lala said in an interview with *Investment Executive*. "Rather than having in-house managers, we're taking an independent approach, and are not tied to any one management firm. As we launch more ETFs at Evolve we will survey the landscape to identify other top asset managers."

He sees opportunities to introduce both actively managed and passive index-based ETF products in areas where the market is not well-covered, but at this point is not willing to "tip his hand" as to what kind of ETFs may be launched later.

"Although some people have said the market is cluttered and competitive, we think we are in the fourth or fifth inning for ETFs in Canada, not the eighth or ninth. There is a long way to go from a growth perspective and there is a lot of innovation happening on the product side."

Lala is an entrepreneur who has previously been involved in the launch of a handful of companies focusing on mutual funds, hedge funds, close-end funds and principal protected notes.

Prior to his time at WisdomTree, Lala launched Pescara Partners Inc., a hedge fund business later bought by Jovian Capital Corp., both of Toronto. He also founded closed-end provider Propel Capital Corp. of Toronto, which was acquired by Fiera Capital Corp. of Montreal.

Lala was named head of WisdomTree Canada in April 2016, when the U.S.-based giant announced plans to launch ETFs in Canada, but his departure to "pursue other opportunities" was announced about six months later.

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