

IPM Launches Feeder Fund for US Onshore Investors

Stockholm (HedgeNordic) – Stockholm-based systematic investment manager Informed Portfolio Management (IPM) has launched a U.S. feeder fund that offers U.S. onshore investors efficient access to the quant firm's main fund, the Systematic Macro Fund.

The Delaware feeder fund was launched on June 1st, with the fund investing investor capital into the Cayman Islands-domiciled IPM Systematic Macro master fund that oversees USD 678 million in assets. The master-feeder fund structure is universally applied in the hedge fund industry to amass capital into a central vehicle – the master fund – so as to address investor tax and regulatory concerns.

As capital raised from North American investors accounts for over one-third of IPM's firm-wide asset base of USD 6.8 billion, the establishment of the U.S. feeder fund will likely benefit both IPM and U.S. onshore investors, especially considering the strong performance of the Systematic Macro fund in recent years. "The US has always been a strategic market for us, and following several years of regular roadshows, we are gaining increased momentum across this region from major institutional allocators," said IPM's head of business development, Tara Skinner. For instance, the Massachusetts State Pension Fund decided to invest up to USD 200 million in the IPM Systematic Macro strategy in June 2016.

Although sovereign wealth funds, pension funds and financial institutions can get exposure to the Systematic Macro fund through the Cayman-domiciled master fund, Skinner reckons the recent launch will ease U.S. onshore investors' challenge of diversifying into broadly uncorrelated strategies such as the one offered by IPM. "Given the increased difficulty for US onshore investors, such as large family offices and UHNW [Ultra High Net Worth] investors, to identify broadly uncorrelated strategies, we expect the new fund to be a natural fit for their portfolios," added Skinner.

Most importantly, Skinner underlines that "more and more U.S. onshore investors are keen to access our diversifying strategy" and this should come as no surprise. The IPM Systematic Macro Fund delivered a compounded return of 8.17% since the start of the year through the end of May, after having returned 7.37% in 2016. IPM's Systematic Macro strategy, which aims to capture dispersions in fundamentals using liquid instruments such as currencies, government bond futures and equity index futures, suffered only one down year since the fund's inception in 2006 (a loss of 8.06% in 2011). The fund returned an astonishing return of 30.92% in 2008, when hedge funds across the globe disappointed investors en masse. Skinner and the team behind the Swedish quant giant are delighted to "offer an ever-broader spectrum of investors access to our strategy, which has an established track record of solid and uncorrelated returns."