

New PPM Platform Rules Trigger Multi-Fund Merger

Stockholm (HedgeNordic) - Several funds managed by asset managers Cicero Fonder, Zmartic Fonder and Max Matthiessen are set to merge into asset allocation fund Cicero World 0-100 early next year. The merger comes after the Swedish Pensions Agency published new rules for funds seeking distribution through the Swedish premium pension system (PPM). The merging funds rely on capital from the PPM platform.

Zmartic Fonder AB, which manages equity long/short market-neutral fund Zmart Alfa and three other traditional mutual funds, has agreed to sell its fund operations to Cicero Fonder AB. According to the agreement, the four vehicles will be merged into Cicero World 0-100 against the issuance of units to the investors or unitholders of the merging funds, which will be dissolved following the completion of the merger. The merger will close on February 27 next year, but the unitholders of Zmart Alfa and the other three funds can redeem their units until February 22.

Under the new rules, only funds with at least SEK 500 million in assets from investors outside the PPM system can access the PPM platform. Market-neutral fund Zmart Alfa manages SEK 230 million in assets, therefore, fails to meet the just-mentioned requirement. Zmart Alfa, currently a member of the Nordic Hedge Index (NHX), returned 9.9 percent since launching in March of 2015.

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