

# Another Hedge Fund Falls Victim to PPM Platform Changes

Stockholm (HedgeNordic) - Insiderfonder AB, which manages long/short equity fund Inside Hedge alongside four long-only vehicles, has agreed to sell its entire suite of funds to Stockholm-based asset manager East Capital. With Insiderfonder relying heavily on capital from Sweden's premium pension system (PPM), a new rule requiring funds wishing to access the PPM platform to manage capital of at least SEK 500 million from investors outside the PPM system forced Insiderfonder to look for suitors.

A new set of rules published by the Swedish Pensions Agency triggered a wave of consolidation in the Nordic fund industry, which also impacted a small group of hedge funds. Equity market-neutral fund Zmart Alfa will merge into asset allocation fund Cicero World 0-100 in late February as part of a multi-fund merger, while Altant Sharp Europe, a hedge fund managed by Atlant Fonder AB, was merged into equity fund Viking Fonder in December as a result of the recent PPM changes.

Inside Hedge, the only long/short vehicle among the five funds managed by Insiderfonder, employs a systematic approach to mimic certain patterns in corporate insider trading at Swedish public companies. The fund generated an average annual return of 5.8 percent since June 2009 and was down 2.7 percent last year after incurring a ten-percent decline in the last quarter. Insiderfonder's five vehicles are expected to be merged into a global balanced growth-oriented fund managed by East Capital in April.

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