

# IPM winding down Systematic Equity Strategies

Stockholm (HedgeNordic) – Informed Portfolio Management – IPM, announced it has decided wind down its long-only equity business area, giving full focus on its flagship Systematic Macro strategy. Following the strong growth of its macro strategy, the long-only equity business area has become a marginal contribution to the overall business.

“We have seen tremendous growth in our flagship Systematic Macro strategy, while the environment for our Systematic Equity strategy has been challenging for some time,” says Lars Ericsson, Acting CEO for IPM (*pictured*). “This is why the board has taken the strategic decision to close down the long-only equity area.”

The IPM Systematic Equity strategy was launched 13 years ago, providing institutional investors with a fundamentally based systematic equity solution. Asset under management in Systematic Equity amounted to SEK 28 Bn at end of March 2019, according to a parallel release from Catella, who own a majority stake in IPM. The strategy has been primarily value based, an area that has struggled, during a period when inflows into passive management strategies have boosted already expensive stocks. The fee pressure in the long-only area has also led to the product now only representing a very marginal part of the firm’s revenues, IPM’s announcement states.

“The long-only equity business has been tying up resources, without really contributing much to the diversification of fixed revenues. Because we don’t see demand picking up any time soon, we believe that it’s in the best interest of our clients and our business that we focus on our more successful and profitable core macro area.” IPM has experienced strong growth in its core macro area over the past few years and is now managing around \$6 bn in this strategy.

“We are doing this from a position of strength. Our overall fixed revenues are up on the year, even after excluding the long-only equity business. Closing down this area should be seen as a natural development, providing more flexibility for the future,” says Lars Ericsson.