

IPM to Cease Investment Activities

Stockholm (HedgeNordic) – Swedish systematic investment manager IPM Informed Portfolio Management (IPM) is ceasing all investment activities and returning all capital to investors after more than two decades, the firm announced.

“The recent investment environment has been challenging for systematic macro as a strategy and IPM as a manager, with lacklustre performance and significant outflows,” writes IPM in a corporate update. “Considering the impact this will have on IPM as a business and the capability to deliver in line with client expectations, IPM’s Board of Directors has recommended that the firm ceases all investment activities and returns investor capital.”

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IPM’s flagship systematic macro strategy, which relies on a systematic and fundamental approach to trade across currencies, government bonds and equity indices, has struggled in recent years, especially in the first quarter of this year. IPM Systematic Macro Fund’s share class reflected in the Nordic Hedge Index has lost a cumulative 20 percent over the past 36 months through the end of March this year after a first-quarter loss of 12.4 percent. The systematic macro fund is down about 7.7 percent year-to-date through mid-April after an advance of 5.4 percent in the first half of April. IPM, owned by finance group Catella, has seen its asset under management drop from over \$8 billion to below \$1 billion earlier this year.

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“The investment environment has been difficult in recent years for strategies focusing on economic fundamentals, with the Covid-19 pandemic aggravating the situation,” says Lars Ericsson, Chairman of the Board. “Through these headwinds, we have continued to develop the strategy and added a number of new asset classes, approaches and models. But the challenging combination of the strategy being out of favour, weak performance and substantial investment outflows has led us to recommend that the firm ceases all investment activities.”

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According to the corporate update, all investors will be able to redeem over the coming months according to each vehicle’s standard liquidity terms. The orderly liquidation of the vehicles will only begin once all investors have redeemed. “IPM would like to take this opportunity to thank all their valued clients for their trust and support, all service providers for their co-operation for over two decades and all our talented staff for their hard work and commitment,” writes IPM.

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"It is a very unfortunate decision we have had to make. IPM has been an important and profitable part of Catella's operations for a number of years," says Christoffer Abramson, CEO and President at Catella. "Catella has during several months worked close together with the Board of IPM to find a better solution for the owners, clients, and employees of IPM. Unfortunately, the global investment market for systematic macro funds together with IPM's returns and reduced capital base has made the company's financial position unsustainable," he continues. "Despite many promising dialogues during the spring, we have not been able to find a suitable buyer for IPM."