

Fundamentals May Still Prevail

Stockholm (HedgeNordic) – IPM Informed Portfolio Management (IPM)'s flagship systematic macro strategy is winding down with the head held high after gaining 5.6 percent in its final month. In late April, the Swedish systematic investment manager announced that the firm would cease all investment activities and return capital to investors as “the investment environment has been difficult in recent years for strategies focusing on economic fundamentals.” **IPM Systematic Macro Fund**'s performance in April “demonstrates that fundamentals may still very well prevail,” says IPM's last commentary to investors.

“It is with a heavy heart that we publish our final monthly comment after more than 20 years of operation,” writes the IPM team in its last monthly letter to investors. “Even though the core tenet of the systematic macro strategy has been challenged over the recent years, this last month of managing capital demonstrates that fundamentals may still very well prevail,” the letter continues. “Following the inflation scare during the first quarter, data in April did not confirm said fears and they so far seem overblown.”

“Even though the core tenet of the systematic macro strategy has been challenged over the recent years, this last month of managing capital demonstrates that fundamentals may still very well prevail.”

IPM Systematic Macro Fund's Class A USD share class was up 5.6 percent in April to trim the 2021 losses to 7.6 percent. “Unsurprisingly, the strong performance of April came from the most hard beaten positions in the relative value bonds and developed currencies portfolios,” writes the IPM team. “We were also pleased to see that our relentless efforts to add more diversification to the strategy paid off as well with a robust contribution from the recently added commodity components (aggregate of relative and directional), for example,” the team adds. “While the strong performance has unfortunately not been enough to offset earlier losses this year, we believe that the rest of the year would have had more in store for the strategy and it does leave a sense of unfulfillment not to see it materialize.”

“Unsurprisingly, the strong performance of April came from the most hard beaten positions in the relative value bonds and developed currencies portfolios.”

“We remain deeply grateful to you, our investors and partners.”

IPM's flagship systematic macro strategy, which relies on a systematic and fundamental approach to trade across currencies, government bonds and equity indices, 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 was down an estimated 7.6 percent year-to-date through April 27, one day before the liquidation of the portfolios started.

“We remain deeply grateful to you, our investors and partners,” writes the IPM team in its last monthly commentary. “We will dearly miss all our engaging conversations and would like to take this last opportunity to thank you for the many years of trust and support.”