ADRIGO
PART OF EAST CAPITAL GROUP

Prospectus
Adrigo Small & Midcap L/S

Applicable as of 14 Nov 2022

Prospectus

This prospectus was prepared in accordance with the Alternative Investment Fund Managers Act (2013:561 – LAIF) and the regulations regarding Alternative Investment Fund Managers (Regulatory Code) issued by the Finanspektionen. and the Swedish Financial Supervisory Authority's Regulations governing managers of alternative investment funds (FFFS 2013:10).

Management Company

East Capital Asset Management S.A. Registration Number: B 136.364

Board of Directors

Karine Hirn, Chairperson
Peter Elam Håkansson, Board member
Albin Rosengren, Board member
Paul Carr, Board member

Management

Paul Carr, CEO

Management Committee

Paul Carr, CEO and Conducting Officer
Kevin Wu, Conducting Officer
Max Isaksson, Conducting Officer

Portfolio Manager

Adrigo Kapitalförvaltning, trade name for East Capital Financial Services AB, registration number: 556988-2086

Auditors

KPMG AB with authorised public accountant Mårten Asplund as Auditor-in-charge. The auditor reviews, among other things, the accounts and disclosures which form the basis of the annual report for the Fund.

The Management Company administers the following alternative investment funds:

Adrigo Small & Midcap L/S

Adrigo Small & Midcap L/S

The Fund is named “Adrigo Small & Midcap L/S” and was established on 1 November 2017.

The Fund is open for trading on the last banking day of each month. Notification to purchase fund units must be issued by no later than 3.00 p.m. of the said day and notification to sell mutual fund shares must be issued in writing no later than three banking days prior to the said day.

Unit holders are requested to send their notification by fax to the European Fund Administration (EFA), fax no.

+352 48 65 61 8002. Note that the original documents must also be sent to EFA by mail, to:

European Fund Administration S.A., 2, rue d'Alsace,

P.O. Box 1725, L-1017 Luxembourg, Grand Duchy of Luxembourg. Unit holders are requested to use EFALLULL if utilising SWIFT.

The EFA also provides information about the Fund’s most recently determined net asset value (NAV).

The net asset value is determined on the last banking day of each month and published by no later than the fifth banking day thereafter. An indicative net asset value is also published at www.adrigo.se on the first banking day of each week, as calculated per the preceding banking day, except at the end of a month, when the official net asset value is determined as usual.

The minimum deposit in the fund is SEK 1,000 for each deposit to share class A SEK, EUR 1,000 for each deposit to share class B EUR and SEK 100,000 for each deposit to share class C SEK.

Adrigo Small & Midcap L/S is a hedge fund with a focus on investments in Nordic equities in the small- and mid-cap segments.

The Fund is an “alternative investment fund,” in accordance with the Alternative Investment Fund Managers Act (2013:561 – LAIF) applying to mutual funds, hereinafter referred to as LAIF, which entails that it is subject to less restricted investment rules than an ordinary mutual fund. The Fund regulations, which are presented in this prospectus, are approved by the Finanspektionen, which also exercises continuous supervision of the fund’s activities.

Depositary and Prime Broker

The Fund’s assets are retained at a depositary approved by the Finanspektionen. The depositary is tasked with receiving and holding the fund’s assets, and to ensure that fund units are measured, redeemed and sold pursuant to laws and regulations, and fund regulations.

The Fund’s depositary is Skandinaviska Enskilda Banken AB (publ) hereinafter refered to as SEB.

Our philosophy

Our philosophy is to manage money ‘as if it were our own’. Consequently, the portfolio management team has invested a considerable amount of equity in the mutual fund. The aim is for unit holders to receive solid absolute returns over time that entail a lower risk level than that of the stock market.

We consider equities to be an attractive asset class. There are interesting investment opportunities in most market conditions, and we continuously work to generate good returns with limited risks, by choosing the right equities.

As the equity market appreciates, we may increase exposure to equities, while maintaining a lower level of risk than that of the underlying stock markets. During uncertainty in the equities market, we may carry greater short exposure, i.e. positions sold-short against securities loans. We may also maintain higher liquidity or utilise derivative strategies or interest rate linked instruments to protect the Fund's value.

When selecting individual equities, we attach great importance to fundamental analyses and we always work to gain our own understanding of the company's senior management and business model, including through our frequent engagements with companies, and often their customers and competitors. We invest in undervalued equities, where we have identified opportunities for growth and value appreciation, and do not take the index weighting into account.

The industry sector and market capitalisation are not critical to our investment decisions, but rather the quality of the investment situation and the potential returns in relation to the risks. We invest primarily in small- and mid- cap companies. We have a focused asset management model, where the portfolio is normally more concentrated than that of a traditional mutual fund.

We do not invest in companies where we do not understand the business model or valuation. This may, at times, contribute to underperformance when using a comparable index. We are of the view that this approach avoids unnecessary risks.

Our operations are focused on the Nordic market, where we have extensive expertise, experience and knowledge of companies and market conditions.

Adrigo Small & Midcap L/S is classified as an Article 6 Fund under the SFDR, which means that we integrate sustainability risks in the investment decision-making process.

The Fund's return is not compared to a market index, but to the risk-free interest rate, defined as STIBOR 30 days.

Investment focus

The Fund's investment focus is listed financial instruments in the issued by companies in the small-mid cap segment operating in Nordic countries. To a lesser extent and totalling no more than 10 percent of the mutual fund's value, the mutual fund may also invest in unlisted financial instruments issued by companies registered in Nordic countries.

The Fund's assets may be invested in the asset classes, transferable securities (equities), money market instruments, derivative instruments (including 'OTC derivatives') and other funds, and in accounts with credit institutions.

The Fund may occasionally comprise higher levels of liquidity, the Fund may leverage its securities and the Fund may use short-selling strategies, i.e., holding positions sold-short against securities loans.

A full account of the Fund's investment strategy is presented in the Fund Rules

Risk profile

An investment in the Fund may increase or decrease in value, and there are no guarantees of recovering the full amount invested.

The Fund primarily focuses on investments in Nordic equities and share-based instruments in the small- and mid-cap segment with a market capitalisation not exceeding SEK 80 billion. The Fund may also leverage its holdings and utilise short-selling and derivative strategies as part of its investment policy. Such investment options may, in certain market situations, involve a higher risk than, for example, a traditional mutual fund. However, the aim of the Fund is to utilise these investment opportunities in such a manner that its risk level over time (measured as the standard deviation in the fund's yield) is lower than the risk level of the equity markets in which the Fund invests.

The Fund regulations, which constitute the regulatory framework of the mutual fund's investments, include the following investment restrictions (with reservation for exceptions):

- No individual holding may constitute more than 30 per cent of the Fund's value
- The total permissible gross exposure (total long and short positions) is in the range 50–250 percent of the mutual fund's value, and the net exposure in the range 0–150 percent
- The Fund's gross exposure to equities in small- and mid-cap companies (long and short positions) at any given time shall amount to at least 90 percent of fund assets
- Securities loans may constitute no more than 100 percent of the Fund's value
- Cash loans from banks or credit institutions may amount to a maximum of 100 percent of the Fund's value
- The proportion of unlisted holdings may not exceed 10 percent of the Fund's value

During normal market conditions the investment portfolio of the Fund will be positioned well within the investment restrictions.

Further detail regarding the investment restrictions is presented in the fund rules

Management fees

The Fund shall pay a fixed management fee to the Management Company totalling no more than 1 percent of the Fund's value. The fee is calculated based on the value of the Fund on the last banking day of each month, and charged to the fund at 1/12 on the said day.

In addition, the Fund shall, on the last banking day of each month, pay the Management Company a performance-based management fee of no more than 20 percent of the part of the mutual fund's return that exceeds the benchmark interest rate, STIBOR 30 days. The fee is calculated collectively. Prior to the payment of performance-based fee, the fixed management fee must be deducted, as well as any negative performance of previous periods in relation to the benchmark interest rate.

Information about the fees applicable at any time is available in the detachable appendix to this prospectus and from the Management Company via www.adrigo.se.

A full account of the management fees applicable to the Fund are presented in the relevant section in the Fund Rules.

There is an example of the calculation for the management fees in the appendices of this Information Brochure. Refer to Management Fees Section A. Fees and Remuneration.

Purchase and sale of fund units

Fund units are sold and redeemed on the last banking day of each month. Unit holders are requested to send their notifications regarding purchase orders by no later than 3.00 p.m. of the said banking day, and redemption orders three banking days prior to the said banking day, by fax to the European Fund Administration (EFA) fax number: +352 48 65 61 8002. Note that the original documents must also be sent to the EFA by mail, addressed to: European Fund Administration S.A., 2, rue d'Alsace, P.O. Box 1725, L-1017 Luxembourg, Grand Duchy of Luxembourg. Unit holders are requested to use EFALLULL if utilising SWIFT.

Forms to request the sale or redemption of fund units can be obtained from East Capital Asset Management S.A., or on the Fund’s website: www.adrigo.se.

Information about the fund’s most recently established NAV, as well as the most recently determined indicative NAV is provided by the Management Company and is available on www.adrigo.se.

Purchase or redemption orders cannot be limited.

The mutual fund may apply an entry charge of no more than 5 percent of the NAV at the time of entry, and an exit load of no more than 0.2 percent of the NAV upon exit.

The fees that are applicable at any time are presented in the detachable appendix of this prospectus. They are also published at the Fund’s website, www.adrigo.se, and can also be obtained from the Management Company

Delegated functions (outsourcing agreements)

The Management Company has outsourced the central administration and transfer agency functions to European Fund Administration S.A.

The Management Company has outsourced portfolio management of the Fund to Adrigo Kapitalförvaltning, the trade name for East Capital Financial Services AB, Registration number: 556988–2086.

Units of the Fund are available for trading through several distributors in Sweden and other markets. For a complete list of distributors, refer to www.adrigo.se.

Prime Broker

The Management Company has appointed SEB to provide prime brokerage services to the Fund. SEB retains part of the Fund’s assets by facilitating the Fund’s trading in OTC derivatives markets.

Potential conflicts of interest have been identified between SEB, in its role as prime broker, and SEB being a primary counterparty in portfolio transactions. SEB additionally provides custody and investor services for other funds under the management of the Management Company.

The services are segregated operationally and organisationally through being rendered by different departments within SEB. This ensures there is no interaction between services. The Management Company believes that the identified conflicts of interest have been effectively mitigated and managed. The Management Company therefore deems that the unit holders of the Fund will not be adversely affected by SEB acting as prime broker

Potential conflicts of interest due to outsourcing agreements

The Management Company continuously monitors how conflicts of interest should be avoided and, in the event that conflicts of interest are identified, how these should be managed.

Annual report and net asset value

The Management Company is required to prepare and submit an annual report for the Fund within four months of the close of the financial year.

The report must be sent free of charge to unit holders upon their request and be available from the Management Company and depositary. The net asset value is published at the Management Company website and may also be published through other media.

Information for unit holders

The annual report and half yearly report for the Fund are available free of charge from the Management Company and can be downloaded from www.adrigo.se. In addition, unit holders who so request can receive an electronic monthly newsletter stating the current NAV for the Fund, and a commentary on the Fund investments and performance. To receive a monthly newsletter the unit holder is required to provide a valid e-mail address.

Amendments of the Fund regulations

Amendments of the Fund regulations are strictly subject to the decision of the Management Company's Board of Directors and must be submitted to the Swedish Financial Supervisory Authority for approval. Once the changes are approved, the document approving the changes must be available from the Management Company and the depositary and disclosed in a manner prescribed by the Swedish Financial Supervisory Authority. The amendments may impact the nature of the fund, such as its fees and risk profile.

Tax regulations

As of January 1, 2012, unit holders have been taxed annually at a standard tax rate for their mutual fund holdings. The standard income for private individuals is calculated as 0.4 percent of the value of the fund shares at the start of the calendar year. Standard income is recognised under the income on capital category and is taxed at 30 per cent.

The standard tax thus amounts to 0.12 percent of the value of the fund units. A standard income below SEK 200 is not taxed if there is no other income. The annual standard income is reported in a statement of earnings and deductions submitted to the Swedish Tax Agency, but no tax is deducted. In the event of a dividend from the fund, 30 percent of the amount paid out is withheld as preliminary tax and the dividend amount is reported in a statement of earnings and deductions sent to the Swedish Tax Agency. When redeeming fund units, capital gains are taxed at 30 percent and losses may be deducted. The capital gain or loss is reported in a statement of earnings and deductions sent to the Swedish Tax Agency, but no tax is deducted.

Other rules apply to legal entities and foreign taxpayers. The tax may be impacted by individual circumstances and any party who is uncertain about any tax consequences should seek expert assistance.

Assets to cover liability for damages

Pursuant to chap. 3, sect. 1 of the LAIF, the Management Company has sufficient capital reserves to cover the risks of liability for damages arising from operational error or negligence.

Equal treatment and the legal consequences of investing in the fund

The Management Company has an obligation to treat all unit holders equally. Additionally, all units have equal voting rights and economic entitlement to the assets of the Fund.

The Fund falls within Swedish jurisdiction and is subject to Swedish law. This means that rules on the recognition and enforcement of judgments in accordance with Regulation 2001/44/EC on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the Brussels I Regulation), the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the Lugano Convention), Regulation 1346/2000/EC on insolvency proceedings (the Insolvency Regulation), the Convention between Denmark, Finland, Iceland, Norway and Sweden on bankruptcy (the Nordic Bankruptcy Convention) or the Convention on the recognition and enforcement of foreign arbitral awards (the New York Convention) may be applicable.

Limitation of liability

Neither the Management Company nor the depositary is liable for damages arising from Swedish or foreign law, measures taken by Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts or similar circumstances.

This reservation also applies to strikes, blockades, boycotts and lockouts, even if the Management Company or the depositary is the target or instigator of such a conflict. Damages arising from other circumstances shall not be indemnified by the Management Company or the depositary, if they have observed a general standard of care. The Management Company or depositary shall in no case be liable for indirect damages, unless the indirect damages were caused by gross negligence on the part of the Management Company or the depositary. Neither is the Management Company or depositary liable for damages caused the violation of laws, ordinances, regulations or fund regulations by unit holders or other parties. In this context, unit holders are reminded that they are responsible for ensuring that documents submitted to the Management Company are accurate and duly signed, and that the Management Company is notified of any changes to the information provided.

The Management Company or depositary is not liable for damages caused by a Swedish or foreign regulated market, or other marketplace, custodian, central securities depository, clearing organisation or other providers of similar services, nor by contractors engaged by the Management Company or depositary with due diligence or who were referred to the Management Company. The same applies to damages caused by the abovementioned organisations or contractors becoming insolvent. Neither the Management Company nor depository is liable for damages incurred by the fund, unit holders or other parties, resulting from restrictions on disposals of financial instruments to which the Management Company or depositary may be subject.

If the Management Company or the depositary encounters an obstacle that prevents contractually agreed action, in whole or in part, due to the circumstances specified above, the action may be delayed until the obstacle is removed. If, as a result of such circumstances, the Management Company or the depositary is prevented from making or receiving payment, neither the Management Company, the depositary nor the unit holder shall be liable for interest on overdue payments. The corresponding exemption from the obligation to pay interest on overdue payments also applies even if the Management Company, pursuant to Item 10 of the fund regulations, temporarily postpones the valuation, subscription or redemption of fund holdings.

Unit holders may in some cases still be entitled to compensation, despite what is stated above, pursuant to chap. 8, sect. 28–31, and chap. 9, sect. 22 of the LAIF.

Transfer or dissolution of the Fund

The Fund may be dissolved or transferred pursuant to a decision by the Board of Directors of the Management Company, or if the depositary makes such a decision upon assuming management of the Fund. The depositary shall assume the management of the Fund in the event that the Swedish Financial Supervisory Authority revokes the authorisation of the company managing the Fund, if this company has entered into liquidation or is declared bankrupt. The transfer of the Fund is subject to the approval of the Financial Supervisory Authority. In the event the Fund is discontinued, unit holders must be informed in writing with no less than three months' notice. In the event the Fund is transferred, unit holders are to be notified on the matter in writing no later than in conjunction with the transfer.

Sustainability-related disclosures

Transparency of sustainability risk policies

According to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector (the SFDR), financial markets participants shall publish information about their policies on the integration of sustainability risks in their investment decision-making process.

Adrigo Small & Midcap L/S is classified as an Article 6 Fund under the SFDR, which means that we integrate sustainability risks in the investment decision-making process. We consider good corporate governance as well as environmentally and socially responsible behaviour as essential in managing a company with the aim of maximising long-term shareholder value.

Adrigo is part of East Capital Group, and we use the Group's ESG Framework for integrating sustainability risks. The Framework consists of four pillars: Sector Exclusions (Negative Screening); Controversy (Norms-Based) Screening; Proprietary ESG Analysis; and Active Ownership.

> *Pillar I: Sector Exclusions (Negative Screening)*
>
> Adrigo's investment philosophy is based on a belief that companies with long-term and sustainable growth prospects generate greater returns. For this reason, we have chosen not to invest in certain sectors, which we believe have negative environmental and social impacts, and which we do not believe offer our clients attractive prospects of long-term returns.
>
> Adrigo will not invest (or consider investing) in any company known to generate over 5% of its revenues from weapons, tobacco, adult entertainment, gambling, or alcohol. No investments are made or considered to be made in any company known to have any exposure to unconventional (controversial) weapons.

The portfolio’s compliance with the sector exclusion criteria is reviewed quarterly and re-confirmed annually. The criteria apply to both long and short positions.

Pillar II: Controversy (Norms-Based) Screening

Through a controversy (norms-based) screening, provided by an external service provider, Adrigo monitors companies’ compliance with international norms and standards. The screening is intended to capture severe, systemic and structural violations of international norms as enshrined by the UN Global Compact Principles. Adrigo’s portfolio is quarterly reviewed to confirm compliance with the norms-based screening criteria, which apply to both long and short positions.

Reports about potential controversies and violations will be used as input to initiate a company dialogues, on our own or together with other investors, in order to request and encourage companies to improve. While breaches occur rarely, holdings which are Non-Compliant could be companies for which we believe we have both a possibility and a duty to engage with, in order to request improvements regarding disclosure of the violations, accountability about the incident and remediation measures.

As a general rule, Adrigo will not invest in new holdings which are deemed Non-compliant and will divest from Non-compliant companies if the breach is based on events that occurred after the time of first investment (or information about the events has been made available thereafter) and the company is deemed as not having taken/taking adequate measures.

Pillar III: Proprietary ESG Analysis

Prior to investment, we complete a Red Flag Analysis for the potential holding. The Red Flag Analysis consists of 10 questions for long positions and 4 questions for short positions, focusing on the most relevant and material sustainability risks and opportunities in our markets. The questions concern key corporate governance indicators, including board and management quality, auditing, transparency and corruption risk, as well as potential environmental and social controversies.

The Red Flag Analysis enables us to identify and assess the most relevant sustainability risks for a potential holding. Our long-term holdings generally consist of companies that have no or very few Red Flags, since we believe that strong ESG features have a positive impact on long-term returns. Furthermore, Adrigo will not invest in any company with more than three Red Flags.

The Red Flag Analysis is also used as input for dialogues and company engagements (further outlined under Pillar IV). As a general rule, Adrigo initiates engagements with long-term holdings that have been assigned Red Flags for environmental or social controversies, as well as with holdings that have more than two Red Flags related to governance issues.

Pillar IV: Active Ownership

For Adrigo, Active Ownership is an important way to integrate sustainability risks and to add value to our holdings after initial investment.

When we have identified relevant areas of improvement on specific ESG issues or if we believe that a portfolio company has not met our expectations as owners, we will evaluate if it is suitable for us as investors to initiate an engagement process where we seek to encourage and influence the company to make necessary improvements. We aim to be constructive and supportive in our dialogue with the companies.

Our experience has shown that engaging with the company, either directly or collectively with other owners, usually generates greater positive effects as opposed to immediately exiting our investment. If the company does not respond in an adequate manner or does not undertake the necessary changes, however, we may ultimately decide to divest.

Engagement activities are communicated in relevant forums where applicable, in particular in client due diligence requests.

For more information about our active ownership, please see East Capital Group's Active Ownership Policy, which guides all strategies managed by companies in East Capital Group when it comes to exercising our ownership rights in and positively influencing portfolio companies. The Policy, which is reviewed and approved annually by the Board, is available on Adrigo's Website.

As part of our sustainability work, Adrigo shall ensure that the remuneration is consistent with the sustainability work undertaken by us and that sustainability aspects shall form part of the evaluation of the employees that serves as a basis for determining remuneration.

Transparency of adverse sustainability impacts at entity level

According to the SFDR, financial market participants shall also disclose, where they consider principal adverse impacts (PAI) of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available.

Adrigo is part of East Capital Group, which does consider principal adverse impacts of investment decisions on sustainability factors.

The norms-based (controversy) screening, described above, covers PAI indicators related to violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, or lack of processes and compliance mechanisms to monitor compliance with those regulations, as well as exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons).

Furthermore, Adrigo's Investment Team is responsible for considering PAI indicators when holistically assessing company quality and when filling in the Red Flag Analysis prior to investment. The Red Flag Analysis for each holding is reviewed by East Capital Group's ESG function. Potential PAI indicator outliers are identified and discussed.

Following the requirements of Regulation (EU) 2019/2088, and the information to be disclosed pursuant to Article 11(2) of that Regulation, the information on principal adverse impacts on sustainability factors will be published in the Annual Report referred to in Article 69 of Directive 2009/65/EC no later than 30 June 2023.

Marketing within the EEA

The fund is marketed and sold in the following EEA countries:

- Sweden
- Luxembourg
- Norway
- Finland

Further information

Further information is available from the Fund website, www.adrigo.se.

Management fees

A. Fees and remuneration

The Management Company is remunerated through a fixed fee and performance-based fee.

The fixed management fee amounts to 1 per cent, which is charged to the Fund on an annual basis at 1/12 (or

0.083 per cent of the Fund's value, on the last banking day each month. The fixed fee portion includes costs for the deposit of the Fund's assets, supervision fees for the Swedish Financial Supervisory Authority and the auditing of the Fund. Brokerage and other costs attributable to the purchase and sale of securities are paid directly by the Fund. Where applicable, on the same day that a fixed management fee is charged, the Fund is charged a performance-based management fee for the preceding month. Both fees are paid to the Management Company.

In the example, the performance-based management fee is 20 per cent of the month's excess returns. Excess return refers to the comparison of the total return – monthly changes in the Fund value, after deduction of the fixed management fee and adjustment for any dividend paid – with a benchmark interest rate ("risk-free interest rate," defined here as STIBOR 30 days, on the last banking day of the preceding month). If the Fund's accordingly calculated total return during the month is greater than the benchmark interest rate, the difference constitutes excess returns. In the event of a negative difference, a negative performance is reported for the month in question.

In this example, the benchmark interest rate for all months is assumed to be 0.225 per cent (interest rate of

2.7 per cent multiplied by 30/360, based on the assumption that there are 30 days in a month). The performance-based management fee is calculated collectively.

To find out what cumulative total return the Fund must achieve in order to charge collective performance-based fees, a threshold value is used, also known as a high watermark (HWM). The HWM is calculated on a monthly basis, using the monthly percentage change in the Fund's benchmark index. If the Fund's share price after deduction of fixed costs exceeds the high watermark that month, 20 per cent of these excess returns are charged as a performance-based fee. The HWM is then raised to this new higher rate so that remuneration for excess returns is paid only once.

If the Fund's cumulative return for a given month falls below the HWM, no performance-based fee is charged until the Fund's share price once again exceeds the HWM.

Any party who invests in the fund following a period of negative performance is not required to pay a performance-based fee until the Fund as a whole recovers the negative performance.

When calculating fees, the results are rounded to two decimal places (rounding upward if the third decimal is five or greater, otherwise rounded downward). To make the examples below clearer, some calculations have been rounded to whole krona and percentage figures, and may result in minor rounding differences in the example.

The Fund in the example below is open for the sale and redemption of fund units on the last banking day of each month. Entry and exit charges are SEK 0.

The example below illustrates how the performance- based fee for the Management Company is calculated. The example assumes that deductions are made for fixed management fees, as well as costs for the Fund's ongoing management, and that subscription occurs at the end of a month when performance-based fees are paid. The example assumes that Investor A subscribes for shares in Adrigo Small & Midcap L/S for SEK 1 million on 31 August.

Since all unit holders are treated equally, only one investor is used as an example.

B. Example calculation for performance-based fee

1. September

In September, the Fund's value rises 3 per cent. The benchmark interest rate is 2.7 per cent (full-year). The calculation of the performance-based fee and the unit holder's asset value is shown below.

A's initial investment SEK 1,000,000

Value before performance-based fee 1,000,000 x (1 + 3%) = SEK 1,030,000

A's threshold rate of return

1,000,000 x (1 + 2.7% / 12) = SEK 1,002,250

Results forming the basis of the performance-based fee 1,030,000 - 1,002,250 = SEK 27,750

Performance-based fee 20% x 27,750 = SEK 5,550

A's value after deduction for performance-based fee 1,030,000 - 5,550 = SEK 1,024,450

2. October

In October, the Fund's value decreases by 2 per cent.

The threshold is calculated based on the fund unit value that was applicable when the most recent performance-based fee was paid. No performance-based fee is paid for this month.

Value before performance-based fee 1,024,450 x (1 - 2%) = SEK 1,003,961

A's threshold rate of return

1,024,450 x (1 + 2.7% / 12) = SEK 1,026,755

Results forming the basis of the performance-based fee 1,003,961 - 1,026,755 = SEK -22,794

Performance-based fee 20% x 0 = SEK 0

A's value after deduction for performance-based fee 1,003,961 - 0 = SEK 1,003,961

3. November

In November, the Fund's value rises 1 per cent.

At the end of the month, the threshold rate of return is higher than the unit holder's asset value. Therefore, no performance-based fee is paid in line with the high watermark principle, despite the positive return during the month.

Value before performance-based fee 1,003,961 x (1 + 1%) = SEK 1,014,001

A's threshold rate of return

1,026,755 x (1 + 2.7% / 12) = SEK 1,029,065

Results forming the basis of the performance-based fee 1,014,001 - 1,029,065 = SEK -15 064

Performance-based fee 20% x 0 = SEK 0

A’s value after deduction for performance-based fee 1,014,001 – 0 = SEK 1,014,001

4. December

In December, the Fund’s value rises 3 per cent. The unit holder’s asset value exceeds the threshold rate of return and a performance-based fee is thus paid for the month.

Value before performance-based fee 1,014,001 x (1 + 3%) = SEK 1,044,421

A’s threshold rate of return

1,029,065 x (1 + 2.7% / 12) = SEK 1,031,380

Results forming the basis of the performance-based fee 1,014,001 - 1,031,380 = SEK 13 041

Performance-based fee 20% x 13,041 = SEK 2,608

A’s value after deduction for performance-based fee 1,044,421 - 2,608 = SEK 1,041,813

Appendix

Appendix (detachable) to prospectus for Adrigo Small & Midcap L/S

Adrigo Small & Midcap L/S
(1 November 2021)

THE FUND'S FEES

The following fees apply to the Fund, Adrigo Small & Midcap L/S, as of the date stated at the top of this page.

If the Fund's fees are subsequently adjusted, a new fee appendix (with a new publication date) will be published immediately and attached to the prospectus as of this date.

The fee appendix that is applicable at any given time is published at the Fund's website, www.adrigo.se.

Entry load

When selling fund units, an entry charge of no more than 5 per cent of the sale price may be deducted, calculated pursuant to Item 9 of the fund regulations. The charge accrues to the Fund Manager. The current entry load is 0 per cent.

Exit load

When redeeming fund units, an exit charge of no more than

0.2 per cent of the redemption price may be deducted, calculated pursuant to Item 9 of the fund regulations. The charge accrues to the fund. The current exit charge is 0 per cent.

Transfer fee

In the event that a fund unit is transferred to another party, the Management Company is entitled to charge the unit holder a fee of no more than SEK 1,500.

Fixed management fee

Pursuant to Item 10 of the fund regulations, the Management Company may charge an annual fee of no more than 1 per cent of the Fund's value as a fixed management fee. The fee is charged on a monthly basis at 1/12 per cent. The current fixed management fee is 1 per cent.

Performance-based management fee

Pursuant to Item 11 of the fund regulations, the Management Company may, in addition to the fixed management fee, charge a performance-based fee of no more than 20 per cent of the preceding month's excess returns, defined as the Fund's change in value less the fixed management fee less a benchmark interest rate (STIBOR 30 days), and deduction for any cumulative negative performance from previous periods. In cases where the benchmark interest rate, STIBOR 30 days, is negative, the benchmark interest rate is set to zero when calculating the performance-based fee. The current performance-based management fee is 20%.

For an exact definition of fixed and performance-based management fees, see Item 11 of the fund regulations. For a definition of the Fund's value, see Item 8 of the fund regulations, and for entry and exit charges, see Item 9 of the fund regulations.

Research costs

The fund will be charged for research costs, provided that specific conditions are met with respect to budgeting, allocation and follow-up in accordance with current regulations. The cost for research will appear as a separate expense item in the Fund’s financial reports.