

PERFORMANCE

Adrigo Small & Midcap L/S Class A rose 6.36% and Class C rose 5.08% in July, net of fees. As of July, Class A is up 1.37% in 2022.

The Nordic stock markets rebounded after having fallen sharply in June. We believe that our strategy has good possibilities to deliver positive absolute returns in various market conditions. In July, our performance was again boosted by our relatively high exposure towards the healthcare sector. Moreover, after having been short the real estate sector over a long period, we started to nibble on selective stocks. Today we have a net long position and we noticed good contributions from Balder, Castellum, and Fabège. Our short book had a negative impact on our performance although we saw positive impact from certain stocks in the basic materials sector.

Adrigo Small & Midcap L/S Class A has returned 81.7% since inception, net of fees. In the same period, the benchmark STIBOR 1M rate has returned -0.8% and the Carnegie Small Cap Return Index Nordic has a gain of 70.7%.

MARKET COMMENT

Carnegie Small Cap Return Index Nordic rose 11.10% in July. We noted that Nordic small-caps underperformed its large-cap peers (OMXN40), which rose 11.46%.

Commodities such as oil and copper fell during the month. Long-term interest rates continued upwards in the beginning of the month but then fell quite sharply. The Swedish property sector, which had traded down by 48% during the first half of the year, turned around when German and Swedish rates started to fall. At the end of the month, the sector was "only" down by 40% YTD.

THE COMPANIES

We tend to quite often take a contrarian view and have, in line with this, initiated a long mid-sized position in **Electrolux** (white goods). The stock is down some 40% year-to-date, driven by worries about less consumer spending, headwinds from raw material, and lack of certain components. Its Q2 earnings was clearly disappointing and way below market expectations as production inefficiencies once again hampered the result.

What many investors tend to forget is that around two thirds of white goods' sales are replacements, hence volumes rarely show big swings. Sure, mix can be negatively impacted as consumers are trading down, but we believe Mr. Market is overly worried. Moreover, we think there is a misperception about costs and pricing in the white goods industry. With few exceptions during the 30+ years we have followed the industry, cost for raw materials and pricing on the final product have moved in symbiosis. Most of the sell-side analysts have, over the last year, been overly optimistic in their forecast. During the last year however, we have noticed a string of downward revisions. We believe the share offers good risk/reward in the medium-term perspective due to high short interest, more conservative estimates, and a low valuation.

Bioarctic (biotech) announced that the FDA has accepted Eisai's (Bioarctic's partner) application under the accelerated approval pathway for its drug candidate Lecanemab (Alzheimer's disease). Eisai's application, completed in early May 2022, has been granted Priority Review with an action date on January 6, 2023. Moreover, Bioarctic/Eisai announced that new data for Lecanemab will be presented at the Alzheimer's Association International Conference (July 31 - August 4, 2022). Topline data from its confirmatory phase III study Clarity AD with 1,795 patients, will be announced during the autumn. If positive, Eisai will submit applications for full approval in the US, EU, and Japan in Q1 2023 at the latest.

Finally, we continue to emphasize that one should have a longer horizon when investing in our fund. We are not afraid of large positions, and we often search for companies that are overlooked by the market and/or are under-analyzed. Our annualized return since our start in November 2017 is 13.4%, well within our targeted level of 8-16%.

VISITS DURING THE MONTH

Due to the reporting season, we have been less active this month with company meetings. We focused our efforts on actively participating in a number of result presentations.

LARGEST CONTRIBUTORS

- ▶ Camurus (pharmaceuticals)
- ▶ Bioarctic (biotech)
- ▶ Urb-it (last mile delivery)
- ▶ Attendo (care services)
- ▶ Balder (real estate)

Portfolio management



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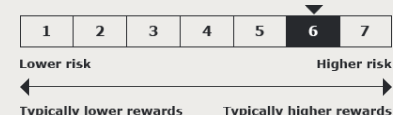
Fund information

Launch date	2017-11-01
ISIN	SE0010440735
Subscription fee	0%
Redemption fee	0%
Fixed management fee	1%

Performance related management fee 20% of total return exceeding STIBOR 30 days rate after deduction of fixed fee ("high water mark").

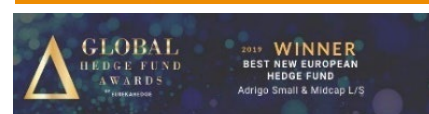
Deposit: Initial minimum SEK 1000.

Risk and reward profile



Important information:

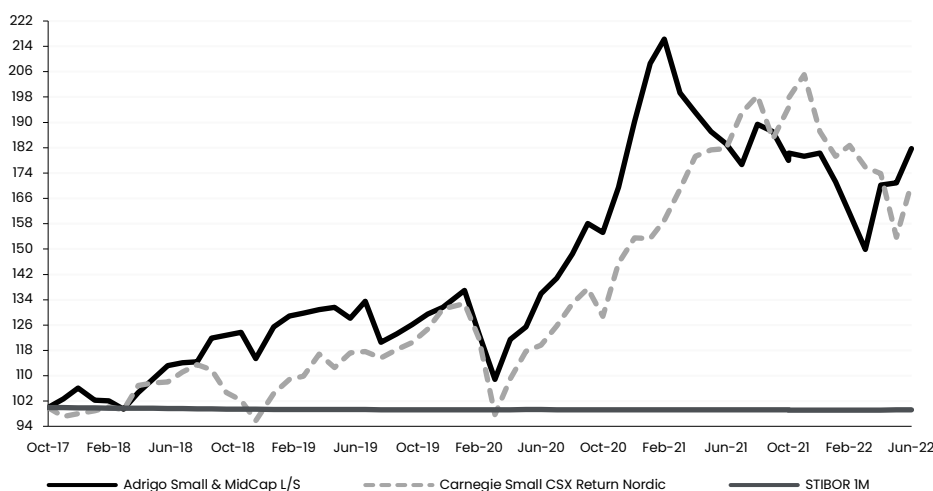
Investment in funds always involves some kind of risk. Past performance is no guarantee for future performance. Fund units may go up or down in value and may be affected by changes in exchange rates. Investors may not get back the amount invested. Full information on Adrigo funds, such as the prospectus, key investor information documents (KIID) and financial reports is available on adrigo.se.



ADRIGO SMALL & MIDCAP L/S

July 2022

Performance Nov 2017 – July 2022



Key and Risk figures	29/07/22	1 M	12 M	Since inception
NAV Class A, SEK	181.74			
NAV Class C, SEK	2 231.27			
Performance, % *		6.36	2.88	81.74
STIBOR IM, %		0.06	0.01	-0.79
Std deviation, % *, **			21.18	19.30
Sharpe ratio *			0.14	0.69
Net exp. to eq. %	>60.0			

*Refers to Class A **Annualized

Performance, %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022 Class C					12.87	0.32	5.08						18.99
2022 Class A	0.56	-5.01	-5.90	-7.01	13.56	0.40	6.36						1.37
2021	9.67	3.71	-7.87	-3.09	-3.15	-2.04	-3.61	7.21	-1.24	-4.86	1.31	-0.57	-5.74
2020	4.04	-9.92	-11.79	11.65	3.21	8.42	3.53	5.51	6.47	-1.81	9.16	12.25	44.53
2019	8.73	2.71	0.74	0.86	0.53	-2.61	4.16	-9.63	2.11	2.40	2.66	1.65	14.09
2018	-3.65	-0.22	-2.53	5.24	4.12	3.86	0.79	0.25	6.61	0.75	0.67	-6.70	8.69
2017											2.65	3.40	6.14

Source: Adrigo Asset Management

Focus of Investment:

Adrigo Small & Midcap L/S is a hedge fund focusing on investments in Nordic equities and equity-related instruments in the segment of small and medium-sized companies.

Objective

High absolute return at a lower risk than the overall equity market.

Strategy

Adrigo Small & Midcap L/S is long/short hedge fund with a long bias. We put emphasis on fundamental research, stock picking approach.

Trading Day

Fund units of Adrigo Small & Midcap L/S are open for subscription and redemption on the last banking day every month.

NAV

NAV is calculated on the last banking day of each month and published at the latest on the fifth banking day thereafter.

Deposit

Initial minimum SEK 1000.

Custodian

Skandinaviska Enskilda Banken AB (publ)

Portfolio manager

Adrigo Asset Management, a division of East Capital Financial Services AB, corp. identity no. 556988-2086.

Management company

East Capital Asset Management S.A.

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Important Information:

Adrigo funds are Alternative Investment Funds (so called "specialfond") according to the Swedish Act (2013:561) of Managers of Alternative Investment Funds and are therefore not to be considered as UCITS funds. Adrigo funds are only directed at institutions and other professional investors and are not subject to the same regulatory framework as those funds which are adapted to retail investors. Investments in funds always involve risks. Past performance is no guarantee for future performance. Fund units may increase or decrease in value and may be affected by changes in exchange rates and other factors. Investors may not get back the amount invested. Before investing, please read the fund regulations and the information memorandum carefully. For full information, such as the information memorandum, key investor information documents (KIID) and financial reports please see www.adrigo.se.

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