

### PERFORMANCE

Adrigo Small & Midcap L/S Class A and Class C fell 3.08% in March, net of fees. The Carnegie Small Cap Return Index Nordic fell 2.01% in March.

The fund's larger holdings in **Attendo** (elderly care), **Lundbeck** (pharmaceuticals), and **Getinge** (medtech) provided good contributions to our return. Among our mid-sized positions, **Kahoot** (software) and **Bergman & Beving** (technical trade) also provided good contributions. A few of our less liquid mid-sized holdings had a noticeable negative impact on performance. We also made a significant write-down of an unlisted holding during the month which had a material effect. Our short position in the OMX index future provided a good contribution but our short positions impacted performance negatively in aggregate.

Adrigo Small & Midcap L/S Class A has returned 63.1% since inception, net of fees. The compounded return has been 9.5% per year since inception. In the same period, the benchmark STIBOR IM rate has returned 0.8% and the Carnegie Small Cap Return Index Nordic gained 68.8%.

### MARKET COMMENT & THE COMPANIES

We notice how companies continue to communicate stronger sales figures driven by larger order books and price increases. Order intake has been a bit weaker although certain end markets, e.g., heavy trucks in the US, have held up somewhat likely driven by pent-up short-term demand. In general, leading indicators point to weaker upcoming quarters for orders. The stock market continues to trade after interest rate movements. Analysts argue that central bankers will be more cautious about hiking rates post the banking crises, as well as due to more muted inflation rates during H223.

In February, we reinitiated a position in **Bergman & Beving**. For years it was one of our larger holdings and part of the portfolio at our inception in November 2017. In 2017, Bergman transformed and spun off its distribution business, "Tools" to its shareholders. What was left were well-known proprietary industrial/construction brands and a distribution business (Luna & Skydda) servicing independent hardware stores. The product businesses had previously been hampered by the sell-through agreement with Tools making it difficult to expand to other parties. Separating the businesses hit volumes harder than we could foresee, and Bergman was somewhat underdelivering bringing new customers on board to compensate for the drop in sales. Previous management also rationalized the distribution business' product offering, prioritizing margin over volume. Together it hit sales and earnings due to scalability in the business model. Luna/Skydda was previously making a loss but, thanks to some successful initiatives, it is now profitable and delivering around mid-single-digit margins. However, we argue that there is significant margin potential in the brands businesses, especially in Essve, although facing difficult macro conditions near-term.

During the fall of 2021, a new CEO entered, having clear M&A ambitions. Our investment thesis was less reliant on M&A and more on organic growth and internal efficiency driving margins. We divested during the latter part of 2021 as the bases had changed. Since then, Bergman has delivered increased margins driven by the above-mentioned improvements in Luna/Skydda and its proprietary brands in the Tools & Consumables division. M&A activity is high and CEO Söderlind has been true to his word acquiring companies with above-group operating margins. One year ago, Bergman announced a long-term ambition to double its operating profit over five years (FY 2025/26). Twelve months later, Bergman has delivered in line with this target, and we see a clear revaluation potential as we come closer to FY 2025/26. We hold a mid-sized position in Bergman & Beving.

We visited **Camurus** (pharmaceuticals). We initiated a position in Camurus during the spring of 2022 after following the company for several years. The share had a strong performance in 2022. We took some profit as the valuation increased although Camurus has continued to deliver on both sales and profitability. During 2023, the share price is down 15%. We believe the strong sales momentum will continue with Buvidal taking market share. In Australia, Buvidal has an 80% market share in long-acting buprenorphine (launched in 2018), showing its dominance. We also believe physicians will convert patients from daily administrative treatments to long-term alternatives as the latter has proven far superior from a health economics and patient benefit perspective. Camurus' valuation is on par with when we initiated our position in 2022. We argue that the risk/reward is far greater today vs. twelve months ago. Camurus has several important catalysts near-term, e.g., the FDAs final ruling for approval of Brixadi (Buvidal) in the US for its partner Braeburn. In addition, Camurus will announce Phase 3 top-line data for CAM2029 within acromegaly in Q2 2023. We believe organic sales growth and upcoming news flow will prompt a revaluation of the stock.

Finally, we would like to thank you, our co-investors, for your continued trust!

### VISITS DURING THE MONTH

Among our positions, we met e.g., Bonesupport, Getinge, Online Brands, and Nolato. In addition, we had a handful of company meetings with new potential holdings.

We have looked at several transactions, both IPOs and equity issues, but we have been restrictive.

### LARGEST CONTRIBUTORS

Short position – OMXS30 index future

Lundbeck – Pharmaceuticals

Attendo – Elderly care

Getinge – Health care

Kahoot – Software

5  
YEARS

### 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](http://adrigo.se).

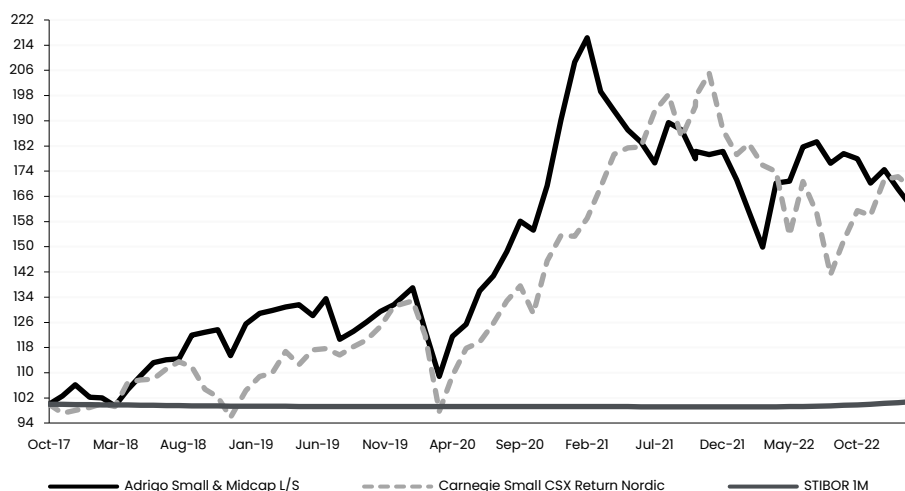


# ADRIGO SMALL & MIDCAP L/S

March 2023

## Performance

Nov 2017 – Mar 2023



Key and Risk figures	31/03/23	1 M	12 M	Since inception
NAV Class A, SEK	163.14			
NAV Class C, SEK	2 000.52			
Performance, % *		-3.08	1.23	63.14
STIBOR IM, %		0.25	1.60	0.75
Std deviation, % *, **			19.19	18.54
Sharpe ratio *			0.06	0.51
Net exp. to eq. %	56.6			

\*Refers to Class A \*\*Annualized

Performance, %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023 Class C	2.48	-3.50	-3.08										-4.16
2023 Class A	2.47	-3.50	-3.08										-4.16
2022 Class C					12.87	0.32	5.08	0.72	-3.67	1.71	-0.90	-4.34	11.31
2022 Class A	0.56	-5.01	-5.90	-7.01	13.56	0.40	6.36	0.85	-3.67	1.71	-0.91	-4.34	-5.05
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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