

Fund Manager's comment

Performance

Adrigo Hedge rose by 1.17% in April, net of fees. A majority of our core long positions have performed well during the reporting season. **Husqvarna** (forest and garden eq), **Securitas** (security) and **Getinge** (medtech) were the top contributors to returns in April. **Veoneer** (industrials) rebounded during the beginning of the month, but reported worse than expected numbers, and fell sharply. Veoneer has contributed positively to performance in April. Our short positions had a negative return in April.

Nordic equities (OMX N40) rose by 1.8% in April. Adrigo Hedge has returned 78.7 % since inception, adjusted for dividends and net of fees. In the same period, the benchmark STIBOR 1M rate has returned 14.5%, and the OMX N40 index has risen by 37.4%.

Market Comment

April was one of the best months on the Stockholm Stock Exchange for several years, +8.9% including dividends. Equity markets in Denmark, Finland and Norway all saw positive returns albeit less pronounced. Swedish equities were led by industrials driven by solid earnings, better than expected economic activity in the US and signs of a rebound in China. The weak Swedish krona added further fuel to the sector. Macroeconomic data for Europe did not show any meaningful improvement in April.

Defensive sectors such as healthcare and telecom operators underperformed the market in April.

Outlook

Industrials are back at previous highs after the weakness at the end of last year. Automotive demand, metal prices, leading indicators and industrial equities normally trade in tandem. Auto demand is weak, metal prices have started to come down and global leading indicators are mixed. Is it time for breather for industrials?

We have made an investment in **Getinge** (medtech). The shares have struggled for years but we believe the company has seen a few positive changes. It all started as a new CEO was appointed in 2017. The following spin off of Arjo improved the operational focus. Management has since then initiated activities in order to close the profitability gap versus its competitors. Getinge's cost base escalated during a number of years as the company faced quality related issues. We believe that there is potential to reduce some of these costs. We do not see any large scale cost programs rather incremental improvements. Management focus has been on internal operations for a long time but it now seems like the company could start to claw back some of the market shares that were lost, witnessed by improving organic growth. Growth in itself makes profitability improvements more likely. Analysts are still sceptical and a majority have the shares on a sell recommendation. We see significant upside to margins and we believe the shares are attractively valued.

Finally, we continue to see good opportunities to generate good risk adjusted long term returns.

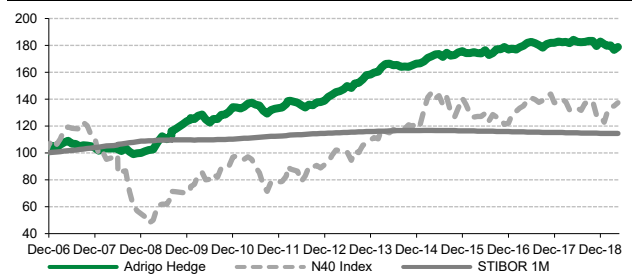
Key and Risk figures	30/04/19	1M	12M	2Y	3Y	5Y	Since Start
NAV, SEK	157.87						
Performance*, %		1.17	-2.93	-1.78	2.68	7.35	78.70
STIBOR 1M, %		-0.01	-0.37	-0.90	-1.49	-1.61	14.52
Std deviation**, %			3.91	3.39	3.49	3.21	4.63
Sharpe ratio			-0.60	-0.07	0.44	0.59	0.87
Net exp. to eq. %	21.7						
Value-at-Risk***							
- Conf Interval 95 %	1.68						
- Conf Interval 99 %	2.34						

* Dividend adjusted

** Annualized

*** The measure expresses the monthly loss that the portfolio is expected to exceed one month of twenty (95% conf interval) or a month of one hundred (99% conf interval). The measure is expressed as % of fund assets.

Performance Dec 2006 – Apr 2019



Source: Adrigo Asset Management

Performance, %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD/FY
2019	-0.64	0.15	-1.89	1.17									-1.23
2018	-0.30	0.12	-0.50	1.34	-0.83	-0.12	0.09	0.41	-0.03	-2.06	1.81	-0.97	-1.08
2017	-0.37	0.95	0.69	1.18	0.35	-0.57	-0.72	-1.11	1.56	0.53	-0.09	0.60	3.01
2016	-0.14	0.51	-0.41	-0.15	1.28	-1.96	0.76	1.66	0.08	0.89	-0.99	0.34	1.82
2015	0.74	1.60	0.78	0.70	0.21	-1.22	1.84	-1.35	0.40	1.03	0.51	-0.70	4.59
2014	0.37	2.04	1.54	0.16	-0.71	0.06	-0.90	0.19	-0.10	0.70	0.66	0.26	4.31
2013	1.15	1.31	0.44	0.99	1.65	-0.93	2.28	0.35	1.71	1.90	0.41	0.91	12.83
2012	1.95	1.61	0.18	-1.03	-1.40	-1.31	1.75*	-0.34	1.43	0.21	0.81	1.99	5.92*
2011	-0.10	-0.64	0.88	1.77	0.65	-1.10	-0.58	-2.80	-1.50	1.92	0.74	0.70	-0.16
2010	0.99	-0.58	1.79	0.81	-2.77	-1.87	2.03	0.05	2.42	0.22	1.67	2.58	7.42
2009	1.05	0.98	0.55	5.28	3.90	-1.83	2.64*	2.61	1.34	3.08	1.81	0.99	24.63*
2008	-1.94	1.13	0.40	0.07	0.59	-1.32	-1.11*	1.96	-2.35	-1.89	0.76	0.23	-3.52*
2007	2.43	-1.21	1.95	1.73	1.06	-2.03	-0.21	-1.46	0.65	-0.22	-0.59	-1.11	0.89
2006												2.84	2.84

*Dividend adjusted

Fund Information Adrigo Hedge

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Launch date: 1st December, 2006

Current fees: 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").

Focus of Investment: Adrigo Hedge is a hedge fund focusing on investments in Nordic equities.

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

Strategy: Adrigo Hedge is long/short hedge fund with a long bias. We put emphasis on fundamental research, stock picking approach.

Trading Day: Fund units of Adrigo Hedge are open for subscription and redemption on every banking day.

NAV: NAV is calculated on every banking day and published at the latest on the fifth banking day thereafter.

Custodian: Skandinaviska Enskilda Banken AB (publ)