

Fund Manager's comment

Performance

Adrigo Hedge rose by 1.04% in August, net of fees.

The holdings which contributed the most to the Fund's performance were **Recipharm** (pharmaceuticals manufacturing) and **Electrolux** (home appliances). Among the smaller positions, **Veoneer** (automotive safety) and **Musti Group** (pet care) and posted good contributions. The Fund's short positions did in aggregate impact returns negatively.

Adrigo Hedge has returned 56.7% since inception, adjusted for dividends. In the same period the benchmark STIBOR 1M has returned 14.4% and the OMX N40 index has risen by 59.6%.

Market Comment

The Nordic large cap index OMX N40 rose by 3.84% in August. The Finnish market was strong and rose by an impressive 5.3%.

After an earnings season when most companies surprised on the positive side, global stock markets continued to develop strongly. MSCI World jumped by 6.3% while EURO STOXX 50 rose by 3.2%.

Economic indicators strengthened further as exemplified by US ISM increasing from 52.6 to 54.2. We also note that the US labor market improved at a significantly higher rate than expected.

Outlook

Among the most interesting newsflow during the month was the announcement of a strategic collaboration between Veoneer and Qualcomm. The share price of Veoneer has since the spin-off from Autoliv been very weak. From August 2018 to March 2020, the stock moved from SEK 500 to below SEK 60 in March 2020. The company delivered a much better result and cash-flow for Q2 but that was not enough to convince the market. Expectations of future software sales had also been adjusted downwards after the break-up of Zenuity, the software JV with Volvo Cars.

The game-changer in our view came with the collaboration agreement with Qualcomm. The two companies will deliver a full software stack and SoC platform in which Veoneer's stack for perception and driving policy is integrated into Qualcomm's next generation Snapdragon Ride platform. The product will be an open platform, implying that Tier-1 suppliers and automakers can modify and integrate the chip into its own system solutions.

The collaboration will not in any material way increase the need of engineering resources according to Veoneer's CEO, Mr Jan Carlson, who we met a couple of days after the announcement. He also said that the companies will be able to deliver the new products already from the model year 2024, adding that the ambition is to announce the first order within twelve months.

Through this collaboration, Veoneer will substantially improve its product offering and also reach new marketing channels. We also see Veoneer becoming more of a head-to-head competitor to Mobileye/Intel. We have increased our holding in Veoneer and see substantial upside from today's levels.

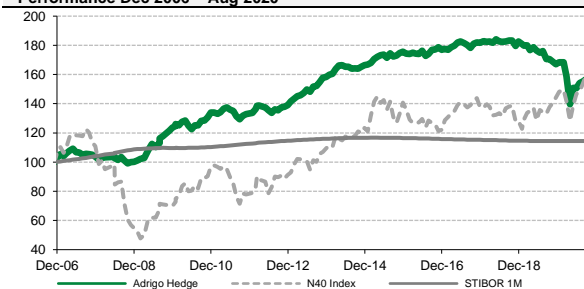
Key and Risk figures	31/08/20	1M	12M	2Y	3Y	5Y	Since Start
NAV, SEK	138.47						
Performance*, %		1.04	-8.15	-14.49	-12.07	-9.01	56.75
STIBOR 1M, %		0.00	-0.03	-0.32	-0.83	-1.89	14.44
Std deviation**, %			15.86	11.59	9.65	7.76	6.27
Sharpe ratio			-0.51	-1.25	-1.25	-1.16	0.53
Net exp. to eq. %	34.9						
Value-at-Risk***							
- Conf Interval 95 %	6.21						
- Conf Interval 99 %	8.53						

* 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 – Aug 2020



Source: Adrigo Asset Management

Performance, %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD/FY
2020	-0.01	-5.81	-11.95	7.98	-0.00	2.28	0.63	1.04					-6.97
2019	-0.64	0.15	-1.89	1.17	-1.25	-0.88	0.69	-3.11	-0.05	-0.95	-1.15	0.89	-6.88
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 facts		Strategy:	Adrigo Hedge is long/short hedge fund with a long bias. We put emphasis on fundamental research, stock picking approach.
CIO:	Staffan Östlin	Trading:	Fund units are open for subscription and redemption on every banking day.
Launch date:	December 1 st , 2006	NAV:	NAV is calculated on every banking day and published at the latest on the fifth banking day thereafter.
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")	Custodian:	Skandinaviska Enskilda Banken AB (publ)
Focus of investment:	Nordic equities	Portfolio manager:	Adrigo Asset Management, a division of East Capital Financial Services AB, corp. identity no. 556988-2086.
Objective:	High absolute return at a lower risk than the overall equity market.	Management company:	East Capital Asset Management S.A.

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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