

### Fund Manager's comment

#### Performance

As previously communicated, Aadrigo Hedge was merged into Aadrigo Small & Midcap L/S on October 1<sup>st</sup>. Aadrigo Hedge rose by 9.26% in September, net of fees, the best monthly performance in the fund's history.

The holdings which contributed the most to the Fund's performance were **Bonesupport** (medtech) and **Veoneer** (automotive safety). Among the smaller positions, **Azelio** (energy storage) and **Musti** (petcare) posted good contributions. The Fund's short positions did in aggregate impact returns negatively.

Aadrigo Hedge has returned 71.3% 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 62.0%.

We are pleased with the performance since inception although the last years' return has been disappointing. We are, however, satisfied that we managed to turn-around the fund after a very challenging start of 2020 and we ended September with a YTD return of +1.65%.

We would like to thank you for the trust you have shown us and sincerely hope that you want to join us in our journey within Aadrigo Small & Midcap L/S. We see good possibilities to deliver above-market returns in Aadrigo Small & Midcap L/S which since inception Nov 1<sup>st</sup>, 2017 has recorded annualized return of 17%.

#### Market Comment

The Nordic large cap index OMX N40 rose by 1.48% in September.

Key and Risk figures	30/09/20	1M	12M	2Y	3Y	5Y	Since Start
NAV, SEK	151.29						
Performance*, %		9.26	0.35	-6.57	-3.93	-0.58	71.26
STIBOR 1M, %		0.00	-0.02	-0.32	-0.83	-1.89	14.44
Std deviation**, %			17.85	13.17	10.94	8.74	6.70
Sharpe ratio			0.02	-0.50	-0.36	-0.07	0.59
Net exp. to eq. %	35.1						
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, %	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	9.26				1.65
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

<b>Fund facts</b>		<b>Strategy:</b>	Aadrigo Hedge is long/short hedge fund with a long bias. We put emphasis on fundamental research, stock picking approach.
<b>CIO:</b>	Staffan Ostlin	<b>Trading:</b>	Fund units are open for subscription and redemption on every banking day.
<b>Launch date:</b>	December 1 <sup>st</sup> , 2006	<b>NAV:</b>	NAV is calculated on every banking day and published at the latest on the fifth banking day thereafter.
<b>Current fees:</b>	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")	<b>Custodian:</b>	Skandinaviska Enskilda Banken AB (publ)
<b>Focus of investment:</b>	Nordic equities	<b>Portfolio manager:</b>	Aadrigo Asset Management, a division of East Capital Financial Services AB, corp. identity no. 556988-2086.
<b>Objective:</b>	High absolute return at a lower risk than the overall equity market.	<b>Management company:</b>	East Capital Asset Management S.A.

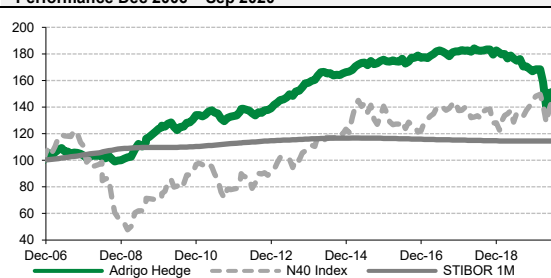
#### Outlook (for Aadrigo Small & Midcap L/S)

**Atlantic Sapphire** (salmon farming) harvested the first salmon at its US site in September. It is worth mentioning that Atlantic retails its Danish farmed salmon at a 30 to 40% price premium compared to Norwegian ocean farmed salmon. The US harvest is a huge milestone, and the US volume will be scaled up towards 50K tonnes by 2024. Today US consumption of fresh salmon is around 400K tonnes of which 90% is shipped by air freight.

Our High Potential holding, **Vaccibody** (biotechnology) announced in October a revolutionary license agreement with Genentech (member of the Roche Group). Vaccibody will receive USD 200m in up-front and near-term payments, and 515m in potential milestones for its individualized neoantigen cancer vaccine (VB10.NEO). If VB10.NEO reaches the market, we believe Vaccibody will receive 10 to 12% in royalties on sales. Genentech will incur all development cost going forward, which in addition to the upfront payment, will let Vaccibody to focus on expanding the platform to additional indications, e.g. infection diseases. The share appreciated some 50% on the announcement, but we highlight that only the upfront and nearterm payments motivates a 20% appreciation.

The future is uncertain, we note that corporates continue to terminate employees whilst consumer confidence is high. The strong rebound in the equity market is likely a contributor to the latter. We continue to focus on individual companies and their ability to drive earnings, less on macro and short-term noise, and we still find interesting and mispriced companies.

Performance Dec 2006 – Sep 2020



Source: Aadrigo Asset Management

**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](http://www.adrigo.se).

The availability of Adrigo funds may be limited or restricted in some countries. Detailed Information about where the funds are registered and what types of distribution are permitted can be obtained from Adrigo Asset Management.

The information about Adrigo funds is only directed at those investors located where Adrigo is authorized to make this information available, and is not intended for any use which would be contrary to local law or regulation.

Consequently, the Adrigo funds may not be offered, sold or distributed in these countries unless such offer, sale or distribution is made in accordance with any applicable exemption from any registration requirements provided by the local securities laws and regulations.

Prospective investors should inform themselves as to: (a) the legal requirements within their own jurisdictions for the purchase and holding of shares; (b) any foreign exchange restrictions which may affect them; and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of shares.