

Fund regulations

Adrigo Small & Midcap L/S

Approved by the Swedish Financial Supervisory Authority on 8 November 2021

Item 1. Fund name and legal position

The Fund is named "ADRIGO Small & Midcap L/S" – hereinafter referred to as the "Fund."

The Fund is an alternative investment fund in accordance with chap. 12 of the Swedish Alternative Investment Fund Managers Act (2013:561), hereinafter referred to as the LAIF. These fund regulations comprise exemptions from certain provisions of the said Act, as granted by the Financial Supervisory Authority.

The Fund is aimed at the general public.

Fund assets are jointly owned by unit holders and each share class entitles equal rights to assets held by the Fund. The company that manages the Fund represents unit holders in all matters concerning the Fund. The Fund may not acquire any rights or assume any obligations.

The Fund comprises the following share classes: share class A SEK, fund class B EUR and fund class C SEK.

Share class "A SEK"

- Base currency: SEK
- Minimum deposit: SEK 1,000

Share class "B EUR"

- Base currency: EUR
- Minimum deposit: EUR 1,000

Share class "C SEK"

- Base currency: SEK
- Minimum deposit: SEK 100,000

The content of these fund regulations is shared by all share classes, with the exception of the provisions in Item 9, which pertain to the minimum subscription amount.

Activities are conducted pursuant to these fund regulations, the articles of association of the Management Company, the LAIF and other applicable statutes.

These fund regulations are supplemented by a special prospectus. The prospectus can be ordered from the Management Company or downloaded from the Fund's website, www.adrigo.se.

Item 2. Fund Manager

The Fund is managed by East Capital Asset Management S.A., registration number: B136364, hereinafter referred to as the "Management Company," which conducts fund management activities in Sweden as a foreign EEA-based alternative investment fund (AIF) manager and is subject to the supervision of Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.

Item 3. Depositary

The Fund's depositary is Skandinaviska Enskilda Banken AB (publ), registration number: 502032-9081

The depositary acts independently of the Management Company and must execute decisions regarding the Fund made by the Management Company, provided that such decisions are not conflict with the LAIF, the Act on mutual funds (2004: 46), hereinafter referred to as the "LVF," or these fund regulations.

The depositary receives and holds the Fund's assets and handles payments to and from the Fund. The depositary shall also ensure:

- that fund units are sold and redeemed in accordance with the fund regulations and the LVF
- that fund unit values are calculated pursuant to the fund regulations and the LVF
- that Fund's assets will be provided to the depositary without delay
- that the Fund's resources are invested in accordance with the fund regulations and the LVF

The depositary shall also ensure that the Fund's assets are provided to the Fund without delay.

Item 4. The Fund's features

The Fund's objective is to achieve solid absolute returns that entail a lower level of risk than that of the equity markets in which the Fund invests. The Fund is an alternative investment fund, known as a hedge fund, and has a good risk spread aimed at achieving a value performance in the Fund that exceeds the risk-free interest rate, defined here as STIBOR 1 month.

The Fund invests in Nordic equities, primarily in small- and mid-cap companies with a market capitalization of less than SEK 80 billion. In addition, the Fund invests in derivatives such as equities futures that allow for flexible equity market exposure and risk management, as well as in money market instruments as a short-term investment solution, in preference to bank accounts that are subject to interest-rate environments.

The Fund invests in both long and short equity positions. The management strategy is analysis-driven, and the Fund takes long positions in companies that are deemed to be undervalued and short positions in companies that are deemed to be overvalued.

Item 5. Investment focus

The Fund's resources may be invested in the asset classes:

- transferable securities,
- money market instruments,
- derivative instruments
- mutual fund shares and
- accounts with credit institutions.

The Fund may invest in financial instruments that are traded in regulated

markets or subject to regular trading in other markets that are regulated and open to the public. The Fund may also invest a minor portion, comprising no more than 10 per cent of the Fund's value, in unlisted financial instruments – financial instruments as specified under chap. 5 sect. 5 of the LVF.

The Fund may divest financial instruments that are not held by the Fund at the time of the transaction, but which are at its disposal through securities loans that were raised using the Fund's resources as collateral, based on customary industry terms agreed with or through a clearing organization, securities institution or foreign financial institution that is eligible for such agreements, subject to the supervision of an authority or other competent body and which is generally recognized in the market. Securities loans may be raised up to a maximum of 100 per cent of the Fund's value.

The Fund's assets and liabilities may be hedged through the purchase and sale of currency during the semester or the acquisition of call and put options regarding currency.

The Fund is an alternative investment fund and deviates in the following manner from the LVF and from the Financial Supervisory Authority's regulations on investment funds (FFFS 2013: 9).

With the exception of LVF chap. 5 sect. 6 para. 1, para. 2 item 3, and para. 3, the Fund may invest up to 30 per cent of its value in financial instruments issued by one and the same issuer or by an issuer in one and the same corporate group. The Fund's two largest individual holdings (net exposures) may not jointly exceed 50 per cent of the Fund's value; the four largest individual holdings may not jointly exceed 60 per cent of the Fund's value; the six largest individual holdings may not jointly exceed 70 per cent of the Fund's value; and the eight largest individual holdings may not jointly exceed 80 per cent of the Fund's value.

With the exception chap. 5 sect. 11 of the LVF, the Fund may invest up to 35 per cent in accounts with Swedish banks and foreign banks domiciled in the EEA and with other foreign banks, provided that they are subject to supervisory regulations corresponding to those laid down in Community legislation.

With the exception of chap. 5 sect. 13 para. 2 of the LVF, the Fund may have a total exposure (total long and short positions) in the range of 50–250 per cent and a net exposure in the range of 0–150 per cent.

The Fund's gross exposure to equities in small- and mid-cap companies (long and short positions) at any given time amounts to at least 90 per cent of fund assets.

With the exception of chap. 5 sect. 23 para. 1 of the LVF, the Management Company of the Fund may, on behalf of the Fund in the course of fund operations, and in observance of customary security in the Fund's assets, raise loans amounting to a maximum of 100 per cent of the Fund's value.

With the exception of chap. 25 sect. 21 para. 3 of FFFS 2013:9, the Fund may lend securities corresponding to up to 50 per cent of the Fund's assets.

The Fund's risk is measured as a standard deviation (the spread of the Fund's yield over its average return). The goal is to achieve a lower standard deviation over time compared with those of the equity markets in which the Fund invests.

Based on requirements or recommendations from the Swedish Financial Supervisory Authority, other risk measurements may also be utilized.

Item 6. Markets

The Fund may invest in financial instruments traded in a regulated market in Sweden, Norway, Finland, Denmark and Iceland, or which are traded on another market in Sweden, Norway, Finland, Denmark and Iceland that is regulated and open to the general public.

To the extent (see sect. 5 and 7) that the Fund may invest in unlisted financial instruments, this may pertain to companies in corresponding countries.

Item 7. Special investment focus

The Fund's assets may be invested in such transferable securities as referred to in chap. 5 sect. 5 of the LVF.

The Fund's assets may not be invested in such money market instruments as referred to in chap. 5 sect. 5 of the LVF.

The Fund invests in derivative instruments as part of its investment focus. The Fund may utilize such derivative instruments as indicated in chap. 5 sect. 12 para. 2 of the LVF (known as "OTC derivatives").

The Fund may utilize such technologies and instruments as referred to in chap. 25 sect. 21 para. 1 of FFFS 2013:9, with the aim of reducing costs and risks for the Fund or for the purpose of increasing returns and generating leverage for the Fund.

Item 8. Measurement

The value of the Fund is calculated by deducting Fund-related assets and liabilities from the Fund, including tax liabilities and accrued management fees.

Assets held by the Fund are measured at the current market value. If such a market value has not been determined or, in the Management Company's assessment, is misleading, the Management Company may determine the value based on objective grounds, in accordance with generally accepted measurement principles. To serve as guidance for such an objective assessment, information from external independent sources, company events, index comparisons or discounted cash flows may be factored. The value must not be based on the reported values of counterparties.

Such transferable securities as referred to in chap. 5 sect. 5 of the LVF shall be objectively measured by the Management Company pursuant to a special valuation procedure based on

information on the most recent payment price or indicative purchase price from an independent market maker, if such is designated for the issuer. If the Management Company deems that such information does not exist or is not reliable, the market value is to be determined by, for example, obtaining information from independent brokers or other external independent sources. Such information could pertain to the price of a new share issue by an independent party, or other value, or knowledge of a transaction performed at a specific price in the current unlisted asset with an independent party.

The market value of OTC derivatives shall be based on market prices, indicative prices from the market maker if available for the instrument, or generally accepted valuation models or methods (e.g. option valuation models such as Black & Scholes)

The value of a fund unit is the Fund's value divided by the number of outstanding fund units. Calculations of the net asset value are rounded to two decimal places (rounded upward if the third decimal is five or greater, otherwise rounded downward).

Since the Fund consists of share classes, the value of a fund unit will be determined taking into account the conditions associated with each share class. The value of a fund unit in a share class of the Fund consists of the value of the share class divided by the number of outstanding units in the share class concerned.

With the exception of chap. 4, sect. 10 para. 5 of the LVF, the net asset value is to be calculated as per the last banking day of each month and published no later than the fifth banking day thereafter.

Pursuant to the final paragraph of sect. 9, the Management Company has the opportunity to temporarily postpone the time of calculation and publication of the net asset value.

The Management Company shall also, on the first banking day each week, publish an indicative net asset value, before deductions for management fees, calculated as per the preceding banking day. However, this does not apply when the last banking day is the last banking day of a calendar month – when instead, the net asset value is published pursuant to the above-mentioned principles.

Item 9. Sale and redemption of fund units

Subscription for fund units

A fund unit's selling price is the value of the fund unit on the day of sale, calculated in accordance with Item 8.

The day of sales is the last banking day of each month.

For the issue of new fund units, written notification and sales proceeds must be received by the Management Company by no later than the banking day specified by the Management Company in the prospectus.

The selling price may be subject to a deposit fee of no more than 5 per cent of the selling price that accrues to the Management Company.

Redemption of fund units

The redemption price for a fund unit is the value of the fund unit on the redemption date, calculated in accordance with Item 8. The redemption date is the last banking day of each month.

In addition to the redemption price, a withdrawal fee of no more than 0.2 per cent of the redemption price may accrue to the Fund to cover the Fund's costs, such as brokerage, etc., in connection with redemption.

Requests to sell and redeem fund units shall be made in writing to the recipient assigned by the Management Company, in accordance with instructions that can be obtained from the Management Company; or by another method provided that it is accepted by the Management Company in advance. Such notification must occur by no later than the banking day specified by the Management Company in the prospectus.

This procedure means that the sale and redemption price is unknown to the unit holder at the time of the request to sell or redeem.

Further information on cut-off points for the sale and redemption of fund units can be found in the Fund's prospectus. If the request is received later than such a cut-off point, the request will be executed in the same order on the next day of sale or redemption.

The minimum deposit in the Fund is SEK 1,000 for share class "A SEK," EUR 1,000 for share class "B EUR" and SEK 100,000 for share class "C SEK."

The revocation of redemption requests is contingent on the approval of the Management Company.

To the extent possible, redemption is to be implemented without the sale of holdings in the Fund, and payment is to be made within five banking days of the date on which the net asset value is determined and published to the bank account specified by the unit holder.

If cash and cash equivalents must be acquired through the sale of the Fund's holdings, this must be done as soon as possible, and redemption must be paid for as soon as the Fund has received payment for the sale. If such a sale could materially and adversely impact the interests of other unit holders, the Management Company may, following notification to the Financial Supervisory Authority, delay the sale.

Information about the most recently determined fund unit price can be obtained every banking day from the Management Company.

A banking day refers to a day that is not a Saturday, Sunday or other public holiday or which, with regard to payment of promissory notes and is not equated with a public holiday, and when banks in Sweden are generally open.

Item 10. Extraordinary circumstances

If trading in financial instruments wherein the Fund's assets are invested is stopped due to extreme market conditions or extraordinary events and that this renders it impossible to objectively determine the net asset value, the Management Company may, following notification to the Financial Supervisory Authority, postpone the date for calculation and publication of the net asset value and postpone the date of sale and redemption of fund units until trading resumes.

Item 11. Fees and remuneration

The Fund Manager is to be remunerated from the Fund's assets. Remuneration is partly paid as a fixed fee and partly through a collective performance-based remuneration model.

Brokerage and other costs for the purchase and sale of transferable securities and other financial instruments are paid by the Fund. Analyses costs can also be charged to the Fund.

When selling fund units, a deposit fee of not more than 5 per cent of the sale price, as calculated in accordance with Item 8, may be charged. The fee accrues to the Management Company.

Upon redemption of fund units, a withdrawal fee of not more than 0.2 per cent of the redemption price, calculated in accordance with Item 8, may be charged. The fee accrues to the Fund.

Fixed fee

The Management Company may charge an annual fee of not more than 1 per cent of the Fund's value primarily to cover its costs for the management of the Fund, for marketing and administration, as well as cost of carry, supervision and auditing. A fee calculated at 1/12 per cent of the Fund's value on the last banking day of each month is charged to the Fund on the same day.

Performance-based fee

Performance-based remuneration of the company that manages the Fund is calculated in accordance with the collective model. Remuneration may amount to a maximum of 20 per cent of the part of the total return that exceeds the benchmark interest rate, STIBOR 1 month.

In cases where the STIBOR 1 month benchmark interest rate is negative, the benchmark interest rate is set to zero for the calculation of performance-based fees.

Total return refers to the percentage change in the value of a fund unit during a calendar month, taking into account any dividends paid and after deduction of the above-described fixed fee. The past month's total return is compared with the benchmark interest rate, STIBOR 1 month, as per the last banking day of the preceding month.

The performance-based fee is paid only when the total return exceeds the benchmark interest rate. If the total return for any month should fall below the benchmark interest rate, the fund unit holder will not receive a refund of

previously paid performance-based fees in the said month.

For months with excess returns, performance-based fees are paid only after the accumulated negative performance from previous months has been offset against the excess return.

The net asset value from which performance-based fee is then to be withdrawn (the threshold value), must be calculated using the benchmark interest rate. The performance-based fee is calculated monthly in arrears on the last banking day of each month and is charged to the Fund on the same day.

In the event that a unit holder redeems his/her fund units when the fund has an accumulated negative-performance balance, any previously paid performance-based fee will not be repaid.

When calculating fees (deposit fee, withdrawal fee, fixed administrative fee and performance-based management fee), the figures are rounded to two decimal places (rounded upward if the third decimal is five or greater, otherwise rounded downward).

Item 12. Dividends

The fund may issue dividends to fund unit holders to an extent decided by the Management Company's Board of Directors.

Unless otherwise decided by the Management Company, the distributable amount consists of the Fund's taxable profit for the most recently closed financial year.

Where applicable, dividends are to be paid during the sixth month following the close of the financial year.

Dividends accruing to a fund unit shall, after deduction of the dividend's accrued tax, be reinvested in the Fund.

Dividends are paid to fund unit holders who, at a predetermined settlement date, are registered as holders of fund units in the Fund's unit holder register.

Item 13. Financial year

The Fund's financial year is the calendar year.

Item 14. Annual report, half-year reports and amendments of fund regulations

The Annual Report of the Fund shall be submitted within four months of the close of the financial year.

The half-year report for the first six months of the financial year must be submitted within two months of the end of the half-year.

The annual report and half-year report must be sent to the Financial Supervisory Authority and all unit holders who have not declined to receive such, and must be available from the Management Company and the depositary.

If the Board of Directors of the Management Company should resolve to

amend these fund regulations, the decision shall be submitted to the Financial Supervisory Authority for approval. The amendment shall be published in the next annual report or half-year report, and otherwise in a manner determined by the Financial Supervisory Authority, and kept available at the Management Company and at the depository.

The amendment shall apply to all unit holders.

Item 15. Pledging of fund units

If a unit holder wishes to pledge units of the Fund as collateral, the unit holder (pledger) and/or the mortgagee must submit a written notification about the pledge in a manner specified by the Management Company.

The notification shall state:

- the identity of the unit holder/pledger
- the identity of the mortgagee
- which fund units are included by the pledge
- any restrictions on the scope of the pledge
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The notification must be signed by the pledger.

The management company must enter, or have entered, information about the pledge in the unit holder register.

The fund unit holder must be notified in writing about the information in the register and that the Fund unit/units has/have been pledged. Upon termination of the pledge and following notification from the mortgagee, the information about the pledge shall be removed from the register. To cover costs related to pledges as described above, the Management Company is entitled to charge the unit holder a fee of no more than SEK 1,500.

Unit holders are entitled, following notification to the Management Company, to transfer fund units to another party. To cover costs related to transfers as described above, the Management Company is entitled to charge the unit holder a fee of no more than SEK 1,500.

Item 16. Limitation of liability

In the event that the depository has lost financial instruments that are deposited with the depository or its custodian bank, the depository shall, without undue delay, return financial instruments of the same category or at an amount corresponding to the value to the fund. However, the depository is not liable in the event that the loss of the financial instruments or other damage is caused by an external event beyond the custodian's control, such as loss or damages arising from Swedish or foreign legislation, Swedish or foreign government action, war, strike, blockade, boycott, lockout or other similar circumstances. The Management Company is not liable for damage caused by such external events beyond the Management Company's control. The reservation with respect to strikes,

blockades, boycotts and lockouts applies even if the depository or Management Company is the target of or engages in such conflict. The depository or Management Company is not liable for damage caused by a Swedish or foreign stock exchange or other Marketplace, central securities depository or Clearing organization.

The depository or Management Company is not liable for damage arising from a restriction of disposal that may be applied against the Management Company or the depository with respect to financial instruments.

The depository is not responsible for the loss of financial instruments held by the custodian bank or other party that provides similar services whom the depository has duly engaged for the custody of financial instruments, and with whom the depository has agreed to transfer liability with the entitlement of the Management Company to lodge claims directly against the custodian bank. Such a transfer of liabilities from the depository to the custodian bank is a consequence of the depository's assignment to the custodian bank to hold foreign financial instruments in a local market in a manner stipulated in the current depository agreement between the depository and the Management Company.

The Management Company or depository shall not issue compensation for damage arising from other circumstances, provided that the Management Company or depository has exercised a normal degree of due diligence and applicable peremptory law does not stipulate otherwise.

However, the Management Company or depository is in no manner liable for indirect damages.

In the event that the Management Company or depository is hindered from fully or partially implementing any measures due to circumstances specified in the second paragraph, such measures may be postponed until the hindrance has ceased. In the event of deferred payment, the Management Company or depository shall not pay any penalty interest. If interest is pledged, the Management Company or depository shall pay interest at the rate that is applicable on the due date.

If, as a result of a circumstance specified in the second paragraph, the depository is prevented from receiving payment for the fund, the depository is entitled to interest for the period in which the hindrance existed, strictly in accordance with the conditions that are applicable on the due date.

The Management Company is not liable for damage caused by the depository or its custodian bank. Neither is the Management Company liable for damage caused the violation of laws or other statutes or these fund regulations by a unit holder or other party. In this context, unit holders are reminded that they are responsible for ensuring that documents submitted to the Management Company are correct and duly signed, and that the Fund Company is notified of changes regarding the information provided.

In accordance with chap. 8 sect. 28–31 of the LAIF, the Management Company is liable for damages. In accordance with chap. 9 sect. 22 of the LAIF, the depository is liable for damages.

Item 17. Permitted investors

That the Fund is aimed at the public does not entail a focus on such investors whose subscription for shares or general participation in the fund conflicts with the provisions of Swedish or foreign law or regulations. Neither is the Fund aimed at investors whose subscription or holding of Fund units entails the Fund or Fund Manager becoming obliged to take a registration measure or other measure that the Fund or Fund Manager would otherwise not be under obligation to take. The Fund Manager is entitled to refuse subscriptions by such investors as referred to above in this paragraph. Where applicable, unit holders are also obliged to notify the Fund Manager of any changes of their country of domicile.

The Fund Manager may redeem the unit holder's shares of the Fund – despite the unit holder's objection – if it should be shown that the unit holder has subscribed for shares in the Fund in a manner that violates provisions in Swedish or foreign law or regulations, or that the unit holder's subscription or holding in the fund obliges the Fund Manager to take a registration measure or other measure on behalf of the Fund or Fund Manager, which the Fund or Fund Manager would not have been obliged to take if the unit holder were not a holder of any shares in the Fund.