

### PERFORMANCE

Adrigo Small & Midcap L/S Class A rose 13.56% and Class C rose 12.87% in May net of fees. Our monthly returns will occasionally show larger swings month over month, as noticed in 2022. We manage the portfolio with a long-term focus, looking for companies that can compound high returns over time. That said, we are not satisfied with showing high short-term volatility. Investing in small and mid-caps and having a focused and concentrated portfolio will generate occasional swings in performance. Company-specific news, e.g., Bonesupport having its Cerament G approved by the FDA, will impact our performance. We often emphasize the importance of having a long-term view when investing along with ourselves, focusing on our target of delivering 8-16% p.a. with volatility below the Nordic small & mid-cap market. In addition, we believe it is good to diversify your investments over time to further limit any potential volatility.

Adrigo Small & Midcap L/S Class A has returned 70.2% since inception, net of fees. In the same period, the benchmark STIBOR 1M rate has returned -0.8% and the Carnegie Small Cap Return Index Nordic has a gain of 76.1%.

### MARKET COMMENT

Carnegie Small Cap Return Index Nordic fell 1.13 % in May. We noted that Nordic small-caps outperformed its large-cap peers (OMXN40), which fell 3.35%.

Credit spreads have continued to increase in May, especially for Swedish real estate companies. We note increasing spreads in investment grade primarily EUR denominated bonds. The European natural buyer is increasingly disappearing. The ultimate question remains what the yield spread between the asset yield and borrowing costs will be once the loan book will be refinanced. A high debt burden, which in many real estate companies is not obvious at first glance, is burdensome when the yield gap is closed.

### THE COMPANIES

**Bonesupport** (medtech) announced that its flagship product, the antibiotic eluding Cerament G, has finally been approved by the US FDA. After the Gladiator merger, we increased our position in May, and Bonesupport was once again one of our largest holdings before the announcement. The position contributed nicely as the share rose nearly 60% during the month. We believe that the current market cap of just under SEK 4 billion is low given the promising outlook. The bone infection approval opens additional opportunities in other indications and has reduced the risk considerably, which is why we believe Bonesupport is a clear acquisition target. We have been shareholders since the autumn of 2017, initially with a smaller position. As we have validated the company our conviction and position size has increased. Our longer investment horizon has paid off. We look forward to the coming years as shareholders and Bonesupport remains a top holding.

Our largest position **Camurus** (pharmaceuticals) delivered a strong Q1 report and reached profitability for the first time since its IPO. Its long-acting opioid dependency drug has strong clinical data and is validated among, e.g., prison settings where the prevalence is high. Management forecasts 100K patients in treatment by 2026, a reasonable assumption we believe due to the underlying need and proven benefits (both cost and quality of life). Besides continued expansion in current markets, we expect FDA clearance for Camurus' US partner Braeburn during H2 2022, a major trigger. We expect further news from the company's production pipeline in the coming years, which could potentially transform it from a single asset company. That said, we see substantial value potential in its opioid dependency drug alone.

### VISITS DURING THE MONTH

We continued to be very active in meeting companies in May.

A common denominator has been real estate companies. Rising interest rates have put pressure on the sector. Mr. Market often trades the stocks as a sector bet, disregarding asset quality or capital structure, and Sweden has plenty of smaller companies listed not covered by sell-side analysts. Here we believe an active manager will have an edge, which is why we work actively meeting various management teams.

In addition, we have met, e.g., Attendo, Bonesupport, Nykode, Latour, and Bergman & Beving.

### LARGEST CONTRIBUTORS

- ▶ Bonesupport (medtech)
- ▶ Camurus (pharmaceuticals)
- ▶ Calliditas Therapeutics (pharmaceuticals)
- ▶ Frontline (shipping)
- ▶ Urb-it (last-mile delivery)

### Portfolio management



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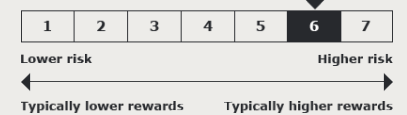
### Fund information

<b>Launch date</b>	2017-11-01
<b>ISIN</b>	SE0010440735
<b>Subscription fee</b>	0%
<b>Redemption fee</b>	0%
<b>Fixed management fee</b>	1%

Performance related management fee 20% of total return exceeding STIBOR 30 days rate after deduction of fixed fee ("high water mark").

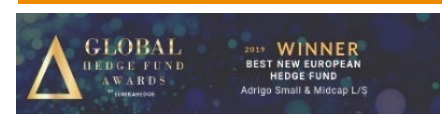
**Deposit:** Initial minimum SEK 1000.

### 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).

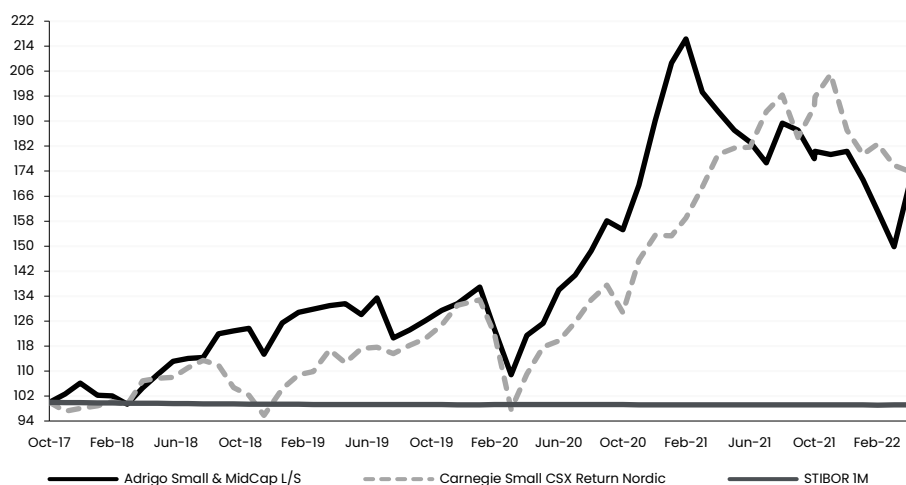


# ADRIGO SMALL & MIDCAP L/S

May 2022

## Performance

Nov 2017 – May 2022



### 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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Key and Risk figures	31/05/22	1 M	12 M	Since inception
NAV Class A, SEK	170.19			
NAV Class C, SEK	2 116.47			
Performance, % *		13.56	-9.03	70.19
STIBOR IM, %		0.01	-0.06	-0.85
Std deviation, % *, **			20.49	19.50
Sharpe ratio *			-0.44	0.63
Net exp. to eq. %	>60.0			

\*Refers to Class A \*\*Annualized

Performance, %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022 Class C					12.87								12.87
2022 Class A	0.56	-5.01	-5.90	-7.01	13.56								-5.08
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

### 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.