

New Adrigo Fund Starts Its Journey in Small- and Mid-Cap Space

Stockholm (HedgeNordic) – Swedish asset manager Adrigo Asset Management AB successfully launched their second hedge fund, Adrigo Small & Midcap L/S, on November 1st. The freshly-launched fund invests in Nordic small- and mid-cap companies with market capitalisations below SEK 55 billion.

More than half of the small- and mid-cap segment Adrigo Small & Midcap L/S targets lacks sell-side analyst coverage, while the remaining portion is barely covered. Many agree that the lack of analyst coverage increases the odds of securities being mispriced. The potential returns on investments in overlooked companies can, therefore, be substantial over time, provided the opportunities are extensively researched and the investment well timed.

The new hedge fund is managed by Staffan Östlin, the former co-fund manager of a similar strategy, Origo Quest. Adrigo Small & Midcap L/S serves as a strong complement to Adrigo's flagship fund Adrigo Hedge – a low-risk fund that focuses on larger and more liquid companies in the Nordic region. Both Adrigo funds are managed using a selective and value-oriented approach, but the new fund is expected to generate higher returns than Adrigo Hedge due to a higher level of risk. The new Adrigo fund targets annual returns in the range of 8-12%, associated with a lower risk than in Nordic equity markets

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