

Adrigo Acquisition Completed

Stockholm (HedgeNordic) – Stockholm-based asset manager East Capital has completed the previously-announced acquisition of Adrigo Asset Management, with Adrigo becoming the absolute return and specialised strategies platform of the East Capital Group. Adrigo currently manages about €50 million in assets across its two hedge funds: **Adrigo Hedge** and **Adrigo Small & Midcap L/S**.

In November of last year, Stockholm-headquartered East Capital announced an agreement to acquire hedge fund firm Adrigo Asset Management to strengthen its fund offering. As previously announced, Staffan Östlin, Adrigo's chief investment officer, and Johan Eriksson have remained with the company and will continue to manage both Adrigo Small & Midcap L/S and Adrigo Hedge. East Capital will add new resources to Adrigo Hedge in consultation with Staffan Östlin. However, the Adrigo funds will retain their basic principles of managing capital with low and controlled risk, and targeting absolute returns.

Headed by Staffan Östlin since its launch in November 2017, Adrigo Small & Midcap L/S is a stock-picking hedge fund looking for long and short opportunities in the Nordic small- and mid-cap segment. The long-biased long/short vehicle has returned 21.5 percent since inception, compared to a return of nine percent for the Carnegie Nordic Small Cap Return Index, a representative benchmark for Nordic small-cap stocks. Adrigo Small & Midcap L/S is down 7.7 percent in the first four months of 2020 following a gain of 11.7 percent in April.

Adrigo Hedge, meanwhile, is a long-short equity fund with a long bias that focuses on larger and more liquid companies in the Nordic region. The fund has returned about 51 percent since launching in late 2006, corresponding to an annualised return of 3.1 percent. Over the same period, the OMX Nordic 40 Index has gained about 39 percent. Adrigo Hedge is down 10.5 percent year-to-date through the end of April.

"We welcome Adrigo Asset Management to East Capital Group, which gains an additional approach to investment from this acquisition," Peter Elam Håkansson (*pictured*), Chairman of East Capital Holding, comments on the completion of the acquisition. "We see great potential in developing a fund management offering together, by adding further strategies as well as sharing our experiences in institutional management – especially in the areas of sustainability and corporate governance," he adds.

Image courtesy of East Capital.