

# When Young Beats Old

Stockholm (HedgeNordic) – **Adrigo Hedge**, once the flagship hedge fund of Adrigo Asset Management, will be merged into the stronger-performing **Adrigo Small & Midcap L/S** on October 1. Staffan Östlin (*pictured*), who has been managing Adrigo Small & Midcap L/S since its inception in November 2017, took over the management of Adrigo Hedge following East Capital's acquisition of Adrigo Asset Management last year.

"In order to streamline our fund offering and increase operational efficiency within portfolio management, Adrigo Hedge will be merged into Adrigo Small & Midcap L/S on 1 October 2020," according to a press release by Adrigo, which is now the absolute return and specialized strategies platform of East Capital. Whereas Adrigo Small & Midcap L/S has generated an annualized return of 15 percent since launching in November of 2017, Adrigo Hedge has accumulated a cumulative loss of almost 14 percent over the same period.

In connection with its acquisition of Adrigo in November last year, East Capital said new resources would be added to the management of Adrigo Hedge, Adrigo's first hedge fund launched in December 2006. Håkan Filipson, then the Chairman of Adrigo Asset Management, expected that "the new resources for Adrigo Hedge will rapidly put it back on course to delivering the strong, low-risk returns that have been a feature since the fund's inception 13 years ago." On the back of Adrigo Hedge's 17 percent-loss in the turbulent first quarter of 2020 and the relatively slow recovery in the subsequent months, Adrigo Hedge is now set to be merged into Adrigo Small & Midcap L/S.

Adrigo Small & Midcap L/S, a stock-picking hedge fund looking for long and short opportunities in the Nordic small- and mid-cap segment, was launched in late 2017 to complement the lower-risk Adrigo Hedge. In spite of the underwhelming performance in recent years, Adrigo Hedge delivered an annualized return of 3.3 percent since its launch in late 2006 through the end of August this year. Adrigo Hedge, which reached over €260 million under management in mid-2017, has seen its assets under management fall below €50 million in early 2020.